The Financial Times, June 28, 1975

FINANCIAL TIMES

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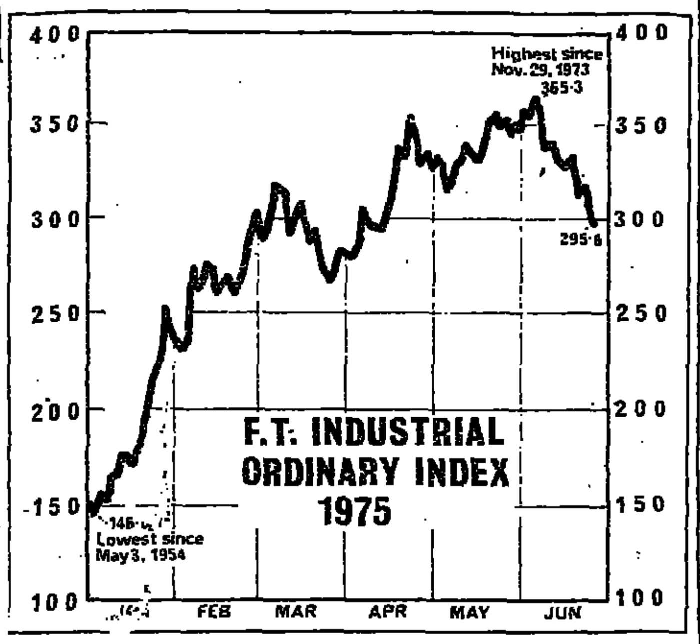
NEWS SUMMARY



Equities 38 down on week at 295.6

● Leading equities, depressed again by the weakness of sterling, met further, though less persistent, selling after Thursday's sharp setback and, *with buyers still showing* reluctance, closing falls were again substantial. The FT-30-share index lost 8.2 to 295.6 for a fall of 38.2 on the week. The past 16 trading days have seen a drop of 69.9 from the year's peak.

Announcement of the terms of a further tranche of £500m. Treasury 12¾ per cent. 1995 stock, helped by sterling's losses, depressed long gilts by up to ½. Mediums and shorts declined in sympathy.

Sterling fell 180 points against the dollar to $2.2250; its weighted depreciation widened to 27.6 (27.1) per cent. Dollar's fall narrowed again to 6.05 (6.35) per cent.

GENERAL

Arrests claim by Amin

Britain's chief representative in Uganda, Mr. James Hennessy, was last night making urgent inquiries into President Amin's *claim to have arrested* more Britons.

No numbers or names have been given, but Radio Uganda said they could face "worse" charges than those made against Mr. Dennis Hills. There are some 700 Britons still in Uganda. The U.K. Government is still in contact with other African Heads of State on methods to resolve the situation. Page 8

Diaries victory

The Sunday Times yesterday won limited rights to republish extracts from the Crossman diaries when the Court of Appeal cancelled High Court injunctions granted earlier. But the paper undertook not to publish further extracts before the Attorney-*General's application to have* publication stopped is fully tried.

Lebanon crisis

The Lebanese security and political situation deteriorated sharply yesterday as Beirut *street fighting intensified* and spread and efforts to form a new Cabinet reached a dead end. More than 30 have been killed *so far and* the city is at a standstill.

Sioux fight

Two FBI agents and an Indian were killed as the agents tried to serve an arrest warrant at an *isolated house* at Pine Ridge, S. Dakota near Wounded Knee where Oglala Sioux held officials at bay for 71 days in 1973.

Nixon talks

President Nixon has given evidence under oath in California to a Grand Jury continuing investigations into Watergate. Page 8

Whale quota cut

The International Whaling Commission is to make the biggest *cuts in its hunting quotas* since its formation in 1946. Page 6

Britain protests

Britain has protested to Israel over the State burial of the two Stern Gang assassins of Lord Moyne, referring to "honouring" of an act of terrorism.

BUSINESS

Gold up 75 cents to $165

● GOLD strengthened in London on last full day of business before Monday's U.S. auction, closing up 75 cents at $165.

● WALL STREET fell 1.02 to 873.12, showing a gain on the week of 17.68 points.

● SOUTH AFRICA has devalued the rand from $1.47 to $1.40 restoring the relationship which existed before the 1971 Smithsonian realignment.
Back Page

● BRITISH GAS CORPORATION is to buy North Sea gas from Shell/Esso's Brent oil field, which could supply 10 per cent. of U.K. gas needs.
Page 15

● *NEARLY* 14.5 *per cent. of the* world tanker fleet is now lying idle, a leading shipbroker estimates.
Page 9

● AGRICULTURE Minister Mr. Fred Peart has triggered off *emergency action by the EEC* commission to decide how the U.K. can protect its egg industry from French imports.
Page 9

● VAUXHALL MOTORS has *raised its car prices* by an average of 5.5 per cent. leading the widely expected summer round of increases.
Page 9

● BRITISH AIRWAYS has ordered four Rolls-Royce powered Jumbo jets costing £80m.
Page 9

● NATIONAL COAL BOARD broke even in the past financial year, despite a £50m. cut in Government subsidies, Sir Derek Ezra reports.
Page 9

● FRENCH KIER HOLDINGS chairman questions whether the City is "sufficiently equipped" to deal with some take-over situations.
Back Page

● WHITBREAD is making an £18.5m. agreed bid for Long John International, the Scotch whisky *subsidiary of Schenley* Industries
Back Page

● REDIFFUSION taxable profits for the year ended March 31 rose from £13.92m. to £14.36m. despite a £1.4m. increase in interest charges.
Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISES

Long John Intl.	222	+ 55
Mason and Burns	18	+ 6
Attock Oil	70	+ 6
De Beers Dfd.	323	+ 9
Durban Deep	£11	+ ½
Harmony	925	+ 55
Peko-Wallsend	280	+ 15
Union Corp.	370	+ 40

FALLS

Assoc. Newspapers	80	− 6
Beazer (CH)	103	− 12
Bishopsgate Prop.	36	− 4
Boots	199	− 3
Bowater	137	− 7
British Land	14	− 3½
British Sugar	340	− 25
Empire Stores	94	− 4
English Prop.	39	− 4½
Fisons	363	− 12
Gill and Duffus	119	− 6
Glaxo "New"	118*	− 12
GUS "A"	158	− 5
GKN	218	− 7
Hammerson "A"	352	− 23
Hawker Siddeley	244	− 6
ICI	250	− 9
Kleen-E-Ze	25	− 4
Lonrho	121	− 8
Manbre and Garton	110	− 5
Marks and Spencer	191	− 5
Metal Box	228	− 8
Phoenix Assurance	180	− 10
Redland	79	− 5
Reed Intl.	216	− 8
Thomson Org.	165	− 10
Tube Investments	234	− 6
Tunnel "B"	110	− 8
Turner and Newall	97	− 10
U.K. Optical	76xr	− 7
Wrighton (F)	17	− 5
Boralt Tin	15	− 3

* Premium.

Heath row dampens Tory joy over Woolwich result

BY PHILIP RAWSTORNE

Tory jubilation over the West Woolwich by-election victory—which adds political urgency to the Government's attempts to forge a more effective anti-inflation policy—was soured last night by the revival of the row over the party leadership.

Mr. Edward Heath said on his return from Canada that he warmly congratulated Mrs. Margaret Thatcher and the party on the achievement. But he angered many Tory MPs by going on to rake over the smouldering embers of the leadership dispute.

He denied "monstrous allegations" and "mischievous reports" that he had been discourteous to Mrs. Thatcher when she visited him after her election as leader, and said: "As she knows, I have consistently maintained my decision . . . not to remain on the front bench, but to concentrate on the great issues facing Britain and overseas.

"That I have been able to do during the referendum campaign at home and on visits abroad. That I shall continue to do in future."

Some of Mr. Heath's friends last night interpreted the statement as a "statesman-like attempt" to resolve his relations with Mrs. Thatcher.

Close supporters of the Tory leader, however, considered that its effect would be to create *further difficulties in the party* by reawakening the argument over whether Mr. Heath had been offered a Shadow Cabinet post.

They felt that Mr. Heath's reassertion of his back bench position could only encourage fresh divisions within the party on economic policy and other issues.

Within hours of the Woolwich victory, Tory MPs called on Mr. Heath and his sympathisers to give their fullest support to Mrs. Thatcher, who had identified herself personally with the by-election campaign and whose leadership was given a significant boost by the result.

Sir Frederick Bennett, Tory MP for Torquay, said the victory would have been even greater if Mrs. Thatcher had enjoyed unstinted party loyalty at Westminster. Personal frustrations should now be satisfied "Sportsmanship should prevail ashore as well as afloat."

'Squabbling'

Mr. Teddy Taylor, Tory MP for Cathcart, said that support for Mrs Thatcher in the Commons had been "inadequate." It was now the duty of every Conservative to refrain from "foolish squabbling" and give her their full support.

The by-election result sharpened in many minds on both sides of the Commons the possibility of an early general election. It added a political *stimulus to the* economic urgency of the Government's moves towards new measures to combat inflation.

Sir Geoffrey Howe, Conservative "shadow" Chancellor, said in Colchester that the voters had rammed home the same message as that of British international creditors. "They are looking for early and decisive action on Britain's economic problems."

He welcomed the TUC's proposals as a "move" towards greater realism," but said that the Government could not avoid taking its own effective decisions at the end of the day.

The message was not lost on the Government, whose overall Commons majority has, in *practice, been eliminated* by the loss of the Woolwich seat.

Mr. Ron Hayward, Labour Party General Secretary, said that the result was a warning to the party to unite behind its manifesto to deal with the country's economic problems.

Mrs. Barbara Castle, Social Services Secretary, said at Weston-super-Mare: "All of us are *now faced with a stark* choice which none of us can avoid . . . on any analysis, inflation is one of the single most *desperate threats to the future* of Socialism in this country."

The choice was between restraining immediate wage demands and savage cuts in public spending with higher prices and unemployment.

Coats dividend storm grows

BY MARGARET REID

PENSION FUND managers are expected next week to receive a strong recommendation from their investment protection committee to vote against adoption of the report and accounts of Coats Patons at the annual meeting.

The advice is the most notable indication to date of the opposition the Coats Patons Board can expect to face at the meeting on July 11 over the controversial decision not to pay a final dividend for tax and cash-saving reasons. This prospect has not been affected either by the Board's plan to distribute a one-for-25 scrip issue of shares or to resume full dividends for 1975.

Pension funds are believed to hold as much as some 10 per cent. of the company's capital, although only 4.7 per cent. is indicated in the annual report. Substantial holdings are understood to be in nominee names.

Being gross funds, they have tended to choose specially favoured shares such as Coats Patons' which, under normal *dividend arrangements*, have returned a relatively high yield.

Unit trust managers also appear to be in a relatively militant mood about the unexpected dividend cut. Earlier this month, their association said it was its present intention to recommend members to vote against adoption of the Coats Patons report and accounts.

Although the chiefs of the unit trusts—which together are believed to hold rather under 5 per cent. of the shares—will not take final *decisions on the* matter until next Wednesday, signs last night were that their attitude was hardening.

Considerable influence on institutions' thinking about the situation seems to have been exercised by the letter published in Thursday's Financial Times from Mr. Frederick Beecham, the chief investment manager of *the Public Trustee Office*. In it he protested on behalf of thousands of private trusts to whom, he said, "the Coats *Patons Board's decision to pass* its dividend comes a a very real embarrassment as their beneficiaries endeavour to cope with inflation."

Mr. Beecham made the point that under trust law, scrip issues of shares made in these circumstances could not be sold for the benefit of income beneficiaries.

The big insurance companies, with a very broad spread of investments, have, by contrast with various other institutions, appeared so far to be less worried by the Coats' action, so long as it does not set a precedent for other companies aiming to conserve cash.

Pound falls another ½% on economy fears

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE POUND fell another 0.5 per cent. in the foreign exchange market yesterday to close at a new all-time low of 27.6 per cent. below December, 1971 levels.

Against the background of widespread concern about the U.K. economic situation, there was at times heavy selling of sterling but virtually no attempt by the Bank of England to arrest the decline.

Selling stemmed from the Continent, from New York and, it is believed, from one or two overseas countries which are traditional holders of sterling reserves.

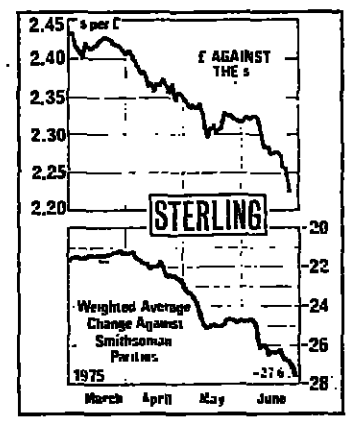
Having opened at a depreciation of 27.3 per cent. from December 1971 levels (compared with 27.1 per cent. overnight) the pound fell to 27.4 per cent. by mid-day and 27.6 per cent. at the close. At one stage unofficial calculations put the level as low as 27.8 per cent.

In terms of the U.S. dollar, the pound lost nearly 2 cents, closing at $2.2250 against Thursday's night's $2.2430, and a low of $2.2227½ at one point yesterday afternoon.

This means that the pound has fallen by 5 cents against the dollar within the last week, and that its weighted average value against ten leading currencies (including the dollar) has fallen nearly 1½ per cent. in the same period.

At last night's close sterling was valued a full 5 per cent. lower on the world's exchange markets than it had been two months ago.

The U.K. authorities are concerned about the recent decline and the obvious loss of confidence which has developed. They do not, however, appear to have been spending reserves on anything like the scale resorted to last month, when they supported the rate to the tune of $200m. in one day alone.



The May stand was taken to signify that a depreciation of 25.2 per cent. was considered enough for the time being. But even then it was evident that, if the market pulled sterling lower, the Bank of England was unlikely to show serious resistance.

Delicate

On Thursday of this week the Bank managed to steady the decline with an aggressive show of interest at only a small cost to the reserves. Yesterday it did not even do this.

It is a difficult time for the authorities, who have attempted to strike a delicate balance—trying to let sterling's value *reflect the differing U.K. inflation rate*, without allowing the decline to get out of hand, or provoking huge outflows which *would have to be financed by* overseas borrowing.

The Government's promise to introduce a package of anti-inflationary measures as soon as possible before the end-July Parliamentary recess was in part

Continued on Back Page

India calm: Mrs. Gandhi stays firmly in control

BY K. K. SHARMA, NEW DELHI CORRESPONDENT

MRS. INDIRA GANDHI appeared *yesterday to be firmly in control* of the situation in India where she has proclaimed a state of emergency and arrested 700 of *her political opponents*.

A Reuter report later said that 200 further arrests had been made, according to a Government spokesman, bringing the total to 900.

Only a few stray incidents and demonstrations were reported from towns in the States yesterday while New Delhi was totally calm, the only sign of an abnormal situation being the absence of newspapers.

Mrs. Gandhi has apparently arrested all the people she had listed for detention under the Maintenance of Internal Security Act (MISA).

Most of the 90 prominent politicians arrested in New Delhi are believed to have been taken to neighbouring States and reports were that Mr. J. P. Narayan, the anti-corruption leader, was in a Haryana State jail.

There were unconfirmed reports from Opposition sources in New Delhi that some officers of India's armed forces were among the 700-odd people arrested on Thursday shortly before Mrs. Gandhi proclaimed the state of emergency.

The reports could not be confirmed because of a strict news censorship imposed in India. No newspaper has been published in New Delhi since Thursday, apparently because the publishers refused to comply with censorship laws. Reports were that a few newspapers were published from other towns, some with blank spaces to indicate that the censor had been active.

But if the reports of arrests of armed forces officers are correct, it would go some way to substantiate the claim on which *the emergency had been proclaimed*. Mrs. Gandhi said in a broadcast on Thursday that there was a threat of internal disturbances, and calls for rebellion by the army, although she blamed Opposition leaders for this and, in fact, went out of the way to speak of the loyalty of the armed forces.

It was not possible to contact any newspaper office in New Delhi either on the telephone or the telex and it is believed that all newspaper offices have closed down, at least temporarily. All news emanating from New Delhi came from an official spokesman of the Ministry of Information.

His claim that the Government had the situation firmly under its control was borne out from telephone contacts made with *non-journalists. The army* is nowhere in evidence in New Delhi although the number of policemen in the streets *appeared to have suddenly* increased.

In the absence of any newspapers, rumours of all kinds *were floating around* in New Delhi. One—that the most senior Minister in Mrs. Gandhi's Cabinet, Mr. Jagjivam Ram, had *been arrested—was denied* both by All India Radio and the official spokesman.

There does not appear to have been any Cabinet meeting since the emergency was proclaimed. This suggests that Mrs. Gandhi is now acting single-handedly, although she is bound to consult a few selected Ministers and officials. All India Radio has been starting all news reports with statements that the country is quiet and that messages of support to Mrs. Gandhi are pouring in.

There was no statement on whether Parliament is to be summoned. It was clarified that *the emergency is to last two* months and approval by Parliament is necessary if this period is to be extended. Since most *Opposition leaders have been* jailed, this would in any case be a formality.

Not surprisingly, Mrs. Gandhi made an allegation that her opponents had received "encouragement" from outside India. She has been claiming that foreign Governments are plotting against her for some time.

Reuter reports from Moscow: The Soviet Union yesterday voiced strong approval of the Indian Government's introduction of a state of emergency and the arrest of opposition leaders—measures, it said, aimed to protect the country's progressive achievements.

A commentary in Pravda, the Communist Party newspaper, said Mrs. Gandhi's action had *proved* that the struggle between democratic forces and reaction in India was becoming increasingly sharp.

£ in New York

—	June 27	Previous
Spot	$2.2230-2250	$2.2410-2415
1 month	0.65-0.55 dis	0.65-0.65 dis
3 months	2.20-2.02 dis	2.20-1.95 dis
12 months	9.30-9.10	9.15-9.00 dis

Two major pay deals finalised

BY OUR LABOUR STAFF

TWO MAJOR national pay negotiations were finalised yesterday when ICI manual workers were offered 26 per cent. rises and a 29 per cent. deal was agreed for Government industrial workers.

The special significance of the Government workers' deal is that it is the last major settlement in this year's public sector pay round, apart from a few groups of British Steel Corporation workers still to settle.

The 26 per cent. proposed ICI deal covers 57,000 manual workers and will now be put to the men with a recommendation from the union for acceptance.

The breakthrough in the hitherto deadlocked negotiations, which has taken place against a background of strikes in ICI plants, *came yesterday morning* when the company offered to include a new threshold deal in the agreement. This is in addition to its 26 per cent. offer which had been rejected by the union rank and file two weeks ago.

The threshold arrangement provides for automatic increases of 1 per cent. for every 1 per cent. rise in the Retail Price Index triggering at 18 per cent. above the June RPI figure.

The threshold arrangement, which will cut-off after triggering six times, will thus only be activated if inflation continues at a pace above that foreseen by both the Government and the TUC in their discussions on a new *social contract*.

Union negotiators said the threshold deal had taken care of one of the basic considerations *that led them to their initial* claim for a 55 per cent. rise by giving their members a degree of protection against high inflation.

But the *agreement* does not improve the company's offer as far as differentials between *craftsmen and process workers* are concerned.

Some 2,000 craftsmen at the Wilton and Billingham plants have *been on strike* for two weeks because they claim the company's offer was eroding differentials. The deal gives the *lower-paid ICI workers a £10-a*-week rise and craftsmen to £12.50.

But Mr. Len Edmondson, the negotiator for the Amalgamated Union of Engineering Workers which represents most of the craftsmen, said last night that all the unions were recommending the deal and he expected the strikers to go back to work once they had accepted.

Mr. Edmondson also said that the union had gone to the limit of what could be extracted from the company, which only improved its offer after the ICI Board considered the state of the pay negotiations on Thursday.

The threshold payments will be treated as individual supplements outside the pay structure and will not count towards the calculations of any premium such as overtime or other allowances.

Some 200,000 Government industrial workers have been awarded pay increases adding a *total of 29* per cent. to their annual wages bill payable from next Tuesday.

This agreement is the first under a new system of comparing their pay rates with those in outside industry.

Using the Pay Research comparison system used by the clerical Civil Service for many years, the agreement concluded yesterday lifts the labourer's basic from £28.70, including £4.40 a week cost-of-living threshold payments, to £32.50 with the basic craft rate moving up from £35 (including thresholds) to £43.

FEATURES

For latest Share Index 'phone 01-246 8026

The week in London and New York

Equities fall back to below 300

Apart from a short-lived rally on Wednesday, equities have been sliding badly all week. The market's fears over the economy appear to be coming to some sort of a head and once again all eyes are on sterling. On the week the 30-Share index is 38.2 points lower at 295.6 for a fall over the account of 45 points. This means that the whole of the upturn following the Budget in mid-April has now been wiped out.

The trade-weighted depreciation of sterling has widened a full point to 27.4 per cent. this week and as a result there has been a steady demand for gold shares: our gold mines index has jumped 6 per cent. since Monday despite the pressure that the bullion price could face next week from official U.S. gold sales.

The latest declines among U.K. equities are some of the sharpest ever seen with the market falling 19 per cent. in just 18 days' trading. But dealing volume has been very slack and the setback has not been accompanied by any real weight of selling. The capital goods sectors (minus 23 per cent.) have absorbed the brunt of the downturn since mid-April while consumer durables —which were largely left out of the post-Budget upsurge—have shown relative stability: stocks like Bowthorpe, Electronic Rentals and Telefusion have dropped less than 5 per cent. The brewers, too, have held up well despite a largely uninspiring results season, and oils have shown impressive resilience.

Pressures on gilt-edged

Despite its declines over the past couple of days, our gilts index has ended the week ahead. Hopes that the forthcoming Government package would be largely anti-inflationary put new life into the longs on Monday and by Wednesday they had notched up solid gains. This allowed the Government broker to off-load the last of the official long tap (Treasury 12½ per cent. 1993) which ran out shortly before the official close, something like £150m. worth of stock having passed hands. A new long tap appeared promptly yesterday afternoon.

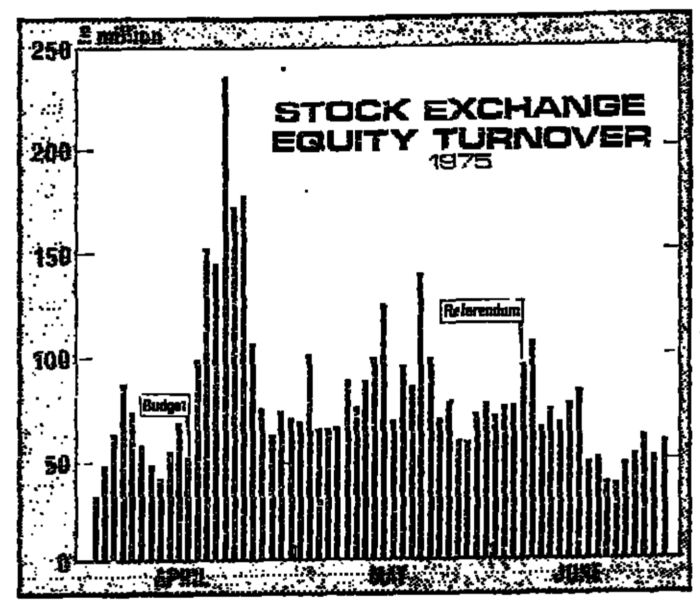
Of course, if inflation rates are to be brought down to around half their present level by the autumn of 1976 then clearly yields of 14 per cent. or so among longer dated gilts are attractive. But over the past two days the weakness of sterling has begun to undermine sentiment across the market as a whole, and few institutions are prepared to take any heavy bets at the moment.

Brighter outlook for wool textiles

At the same time the gilt market is only too aware of the sheer size of the Government's borrowing requirement. For 1973-74 public sector deficit amounted to £4.4bn. while estimates for 1975-76 range from Mr. Healey's Budget figure of £9bn. up to around £13bn. This uncertainty is the key to many of the gilt market's present worries.

The woollen sector of the textile industry was the first to embark on the traditional downward cycle, so in theory it should be the first to turn up. But for the time being the figures currently being reported show a truly appalling slump in profitability. Dawson International, for example, which has always been regarded as less vulnerable to the textile cycle given its concentration at the quality end of the market, this week reported a second half loss of £470,000. Annual profits were reduced from £6.24m. in 1973-74 to only £½m. British and Cotton Wool Dyers while not strictly comparable with Dawson, showed an annual loss of £69,000 compared with a profit of £573,000 the previous year; and again there was a deterioration in the second part of the year. One significant difference between the two results is that Dawson maintained its dividend while Slubbers was not able to pay anything.

The consensus opinion suggests that the worst may now be over. And while there are only slender hopes that demand will pick up in the U.K. before the end of this year there is justifiable optimism regarding the overseas markets as other economies recover before our own. The wool price, too, has stabilised and is even showing signs of moving ahead, which gives rise to two bull points. First, if the trend continues stock losses will disappear, possibly to be replaced by profits and, secondly, this is a clear indication that the customer de-stocking phase may well have worked itself through. Finally, the belief is that the natural fibre side of the textile industry is merely in a trough—albeit a deep one —and that it is quite certain that there will be an upturn at some stage. By contrast the synthetic fibre sector has been dealt a serious blow by the increase in oil prices.



Pick-up in Changer market

The glut of stocks in the record changer market, caused mainly by de-stocking in the U.S., now seems to have been absorbed thanks to a noticeable improvement in demand. That should boost the profitability of companies like Plessey, BSR and Goldring who have all suffered in this recession.

Plessey, whose nine months' figures were announced this week, was badly hit in its Garrard subsidiary by the shortfall in the U.S. After six months losses here were just under the £1m. mark and the trend evidently deteriorated in the last three months. However, the influx of new orders over the past couple of months has apparently been higher than for more than a year. An upturn in demand from the U.S. has already been felt at BSR and production is being significantly increased. The company is to resume a five-day working week at its three Midland factories along with expansion at East Kilbride. These moves end about six months of short-time working as well as a trend to redundancies.

The change in the trading climate comes at a crucial time for Goldring. High stock levels and poor demand forced the company into a loss making situation in the second half of 1974 leaving the overall balance at just £20,000 against £434,000 previously. Two-fifths below their 1975 peak the Goldring share price yields 14 per cent. at 12p.

TV contractors on hard times

The differing pressures on TV contractors' profits has been highlighted this week. Associated Television's contracting profits fell £1.4m. to £1.6m. against a decline of under 8 per cent. from Anglia. Advertising revenue, which in fact would have been stronger for ATV than Anglia, is not the cause behind the varying experiences, but the group's ability to control costs. This is where concern for the industry lies. Revenue in fact is holding up—it rose by a tenth through April and May—but it cannot match increasing costs—at present the contracting groups are in the midst of their annual wage rounds. Fortunately, however, the industry is now working with a profits based levy.

Yet even a profits based levy, where nil profits avoids any levy payment, is insufficient help for some of the smaller companies; Scottish TV for instance where profits tumbled from £1m. to under £0.2m. last year, and which recently suffered from a prolonging of the strike which hit the industry in May. Generally the industry's future is unhealthy, and the market sums up its attitude with some of the highest yields in the equity market. ATV yields 15¼ per cent. despite a reduced dividend. Some relaxation of the present levy system is likely to become increasingly hard for the Government to avoid. This would at least allow the larger contractors to absorb a higher proportion of network costs.

Onlooker

STOCK MARKET'S FIRST-HALF PERFORMANCE

	Index y'day	% change on 31.12.74	1975 High	1975 Low		Index y'day	% change on 31.12.74	1975 High	1975 Low
Ind. Ord. Index	295.6	+ 83.1	365.3	146.00	Chemicals	157.50	+100.1	189.17	73.14
Govt. Secs. Index	58.33	+ 17.1	62.34	49.13	Shipping	331.08	+ 54.3	401.84	194.38
Gold Mines Index	409.7	+ 15.9	442.3	280.2	INDUSTRIAL GRP.	121.43	+ 90.5	143.43	59.19
Building Mats.	95.23	+ 96.4	117.40	45.11	Oil	277.53	+134.9	296.47	105.83
Contracting	202.54	+148.9	251.61	74.74	500 SHARE INDEX	134.38	+ 96.5	156.14	63.49
Electricals	203.69	+ 93.1	234.64	98.49	Banks	143.27	+107.7	177.11	62.56
Eng'ing. (Heavy)	134.65	+ 98.1	159.79	64.39	Discounts	139.82	+ 61.1	169.27	84.13
Eng'ing (Gen.)	99.28	+103.7	117.40	45.43	Hire Purchase	82.02	+ 76.3	134.39	42.81
Machine Tools	41.50	+ 91.2	48.98	20.11	Insurance (Life)	100.15	+106.5	127.97	44.88
Electronics	92.97	+ 95.6	106.34	44.28	Insurance (Comp.)	97.04	+102.1	123.90	44.47
Motors & Dist.	43.37	+ 85.7	50.91	19.91	Insur'ce (Brokers)	178.33	+141.0	211.50	68.95
Breweries	142.18	+ 74.4	163.83	75.58	Merchant Banks	77.03	+118.2	94.97	31.21
Ent., Catering	138.31	+ 63.1	158.44	55.28	Property	165.67	+ 67.9	241.22	88.19
Food Manf'g.	136.77	+109.8	156.57	62.03	Investment Trusts	153.91	+101.5	178.53	73.43
Food Retailing	115.77	+ 91.5	149.17	57.15	ALL-SHARE INDEX	131.79	+ 97.0	154.09	62.16
News., Publishing	124.37	+105.9	152.14	55.08	Rubbers	413.85	+ 43.9	525.43	281.65
Packaging, Paper	85.45	+ 78.4	107.12	43.46	Teas	100.68	+ 29.7	100.68	76.76
Stores	105.01	+ 86.0	132.94	52.63	Coppers	397.39	+ 4.8	467.74	374.38
Textiles	124.28	+ 84.9	145.07	62.91	Mining Finance	133.82	+ 51.8	141.34	80.58
Tobacco	177.58	+ 48.7	199.16	109.92	Tins	99.61	+ 64.8	114.49	58.97
Toys, Games	37.24	+ 61.7	44.08	20.92	Overseas Traders	209.16	+109.2	252.23	97.37

New York

Review of a boom

BY JAY PALMER

NEW YORK, June 27.

SIX MONTHS ago, 1975 began on a generally dismal note. While the market was slightly up on the lows established three or four weeks earlier, the gains, in absolute terms, were absolutely nothing compared to the bear slide seen since the peak levels of January 1973. Furthermore, as the Wall Street Journal put it at the time, "Worries remain over the economic capability of the new President while the recession clouds grow darker."

The darkest time of the night is, according to popular thought, the hour before the dawn. Certainly those gloomy words, which at the time were by no means out of phase with Wall Street's thinking, seem a bit ridiculous now. The recession has all but ended and Wall Street is sharply higher. On this basis, the half-year point seems as good a time as any to review the market's progress and make some vague guesses about the coming six months.

Since January, to get the basic statistics established, Wall Street's Dow Jones industrial index has risen from around 670 to 874—a gain of 30 per cent. The DJ transportation and Utility averages lag this advance with rises of respectively 17 and 24 per cent. While the New York Stock Exchange composite index and the American Stock Exchange indices are up around 40 per cent., the more widely based Standard and Poor's index sits on a gain of 45 per cent.

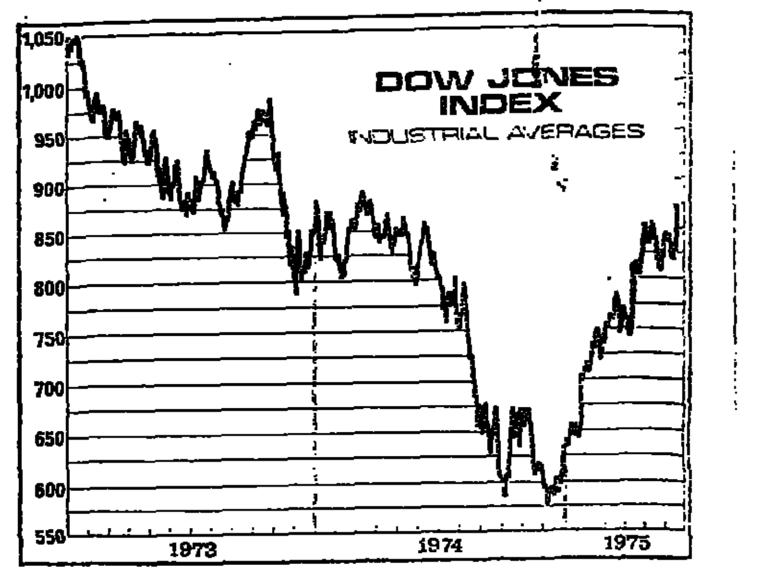
According to all the chartists, these rises are among the headiest stock market gains ever recorded. All the current "eternal optimists" might just remember this when they dismiss as ridiculous warnings that a major technical reaction is long overdue. Clearly the basic key to market enthusiasm over the last six months has been the downward sweep in short-term interest rates.

Last July the Federal funds rate, perhaps the most important of all the key short money market rates, was around 14 per cent. To-day the rate is about 6 per cent. Over the same period, the interest rate on 13-week Treasury Bills has declined from nearly 9 per cent. to 6 per cent.—this last figure being after a rise from as low as 5¼ per cent. in the last few weeks.

At the same time, commodity prices have moved sharply lower and the market has been buoyed up by obviously improving economic indicators. Ironically enough, though, the improvement in the economy also worked to depress the market—many arguing that the upturn would be much less abrupt than anticipated and already discounted.

For the immediate future, that is to say the next two or three months, the market still seems hesitant. Yet a third consecutive month of improving Commerce Department leading economic indicators was more or less ignored against growing fears that the Federal Reserve was again tightening credit. News last night that the latest money supply figures show a drop from the hefty 20 per cent. annual rate rise recorded in the four weeks to June 11 sparked off hopes that the credit reins could again be loosened.

Aside from the still real possibility that a technical downturn is likely (and even desirable) the future seems certain to be a series of sideways movements adding up to perhaps sizeable gains over the coming months. Investors who have forsaken the markets for fear of a return to the bear slides of yesteryear may now have their last opportunities of participating.



DOW JONES INDUSTRIALS

	CLOSE	CHANGE
MON.	864.83	+9.29
TUES.	869.06	+4.23
WED.	872.73	+3.67
THURS.	874.14	+1.41
FRI.	873.12	−1.02

MINES IN THE NEWS

Where both sides win

BY KENNETH MARSTON

SOUTH AFRICA remains top-of-the-pops as far as the mining industry is concerned. Elsewhere in the world Governments tend to go back on agreements and screw up taxation to the point at which exploration and mine development is being deterred.

This, coupled with the dampening effect of the present low level of metal demand, may well lead to astronomical prices for metals in the not so far future: bear in mind the fact that the time required to find, finance and bring a mineral deposit to production is measured in years.

Encouragement, rather than punishment, pays off. At this week's meeting of the Chamber of Mines of South Africa the president, Mr. A. W. S. Schumann, has pointed out that mining provided 68 per cent. of the Republic's exports last year. Furthermore, the State's share of gold-mining profits alone rose by 63 per cent. compared with a 45 per cent. increase in the working revenue of the mines.

Needless to say, the gold-mining companies still did very nicely. Now they have to contend with a fairly static, though still high, gold price in the face of a continuing rise in costs, which went up by over 25 per cent. last year, and the inevitable fall in production which can be expected to follow the white miners' demand for a five-day week.

Clearly, a further rise in the price of gold will be needed to sustain mine earnings. Mr. Schumann is hopeful of this on the longer-term view, citing inflation, political and currency uncertainties as factors which "will force the gold price upwards." In the short term the outcome is awaited with interest of the U.S. auction of 500,000 ounces which is to take place on Monday.

My view remains that in the present circumstances the prices of gold shares are high enough. But they still seem a better bet than depreciating paper pounds and I would not recommend a sale of the higher gold grade producers which are fairly well placed to cope with rising costs.

$20 uranium

Indeed, there could be a case for buying shares of such mines where they have the added asset of an existing or potential sizeable income from by-product uranium. There is still a competitive market for the nuclear material but it is picking up to the extent that, according to Mr. Schumann, uranium oxide is being sold for immediate delivery at $U.S.20 per lb., about three times the price of a few years ago.

Many of the South African mines have a uranium earnings potential of varying size and timing. The companies which come out best in this respect, and which should also continue to do well from gold, include Southvaal, Vaal Reefs, Hartebeest, Zandpan and Buffelsfontein.

Looking at prospects for the other minerals, Mr. Schumann has pointed out that South Africa will need to invest some R1bn. (£646m.) on doubling her coal production in the next decade to meet the burgeoning demand. He remains confident of the longer term prospects for platinum and antimony. And he feels that the world's major trading nations will move into a new period of reflation and growth during the current year.

One way and another, several mining companies have been getting in on the North Sea oil and gas business. London's Selection Trust, is a good example. It participates in exploration, expects to begin to receive revenue next year from the Noordwinning group's gas discovery in the Netherlands sector, carries out engineering activities and owns the profit-earning craneship "Thor."

Oil caverns

Selection Trust now sees a new opportunity to extend North Sea interests. This is simply that the coming big flow of oil and gas is going to require massive storage facilities. Surface tanks on the scale needed would not only take up big areas of land and invite preservationist objections, says the group, but also they would be costly. The better and cheaper alternative, it is claimed, would be underground, or under-seabed, storage.

The idea is to provide huge underground caverns and, of course, Selection Trust has the mining know-how to do this. West Germany's Kavernen Bau- und Betriebs of Hanover has long experience of storage in aquifers — water containing underground chambers which can be adapted to hold oil and gas—and so the two groups have announced this week that they are to collaborate on the design and construction of such storage facilities.

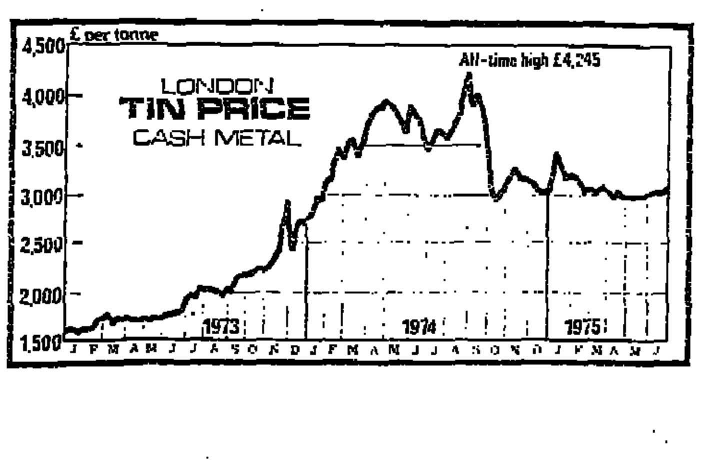
Finally, it is sad to report that the Nchanga Consolidated Copper Mines complex in Zambia, which is 51 per cent.-owned by that country's Government and 49 per cent. by Zambia Copper Investments, has suffered a fall in net profits to K58.8m. (£40.1m.) in the year to March 31 from K112.5m. in the previous 12 months. The dividend total is cut to K17m. from K67m.

This reflects the all too familiar story of rising costs and falling metal prices. It is doubtful whether Nchanga is managing to make any profit at to-day's copper price and thus prospects of further dividends are none too bright at the moment. Nchanga remains a great copper operation, but holders of ZCI must steel themselves to face depressing results in Nchanga's next two quarterly reports, at least.

TIN OUTPUTS COMPARED

	May 1975 Tonnes	April, 1975 Tonnes	Total to date (months) Tonnes		Same period previous year Tonnes
Amal. of Nigeria (tin)	§215	*181	386	(2)	397
Amal. of Nigeria (columbite)	§14	*15	29	(2)	25
Aokam	198	165	2,056	(11)	1,738
Ayer Hitam	241	212	3,049	(11)	2,460
Berjuntai	334	351	334	(1)	412
Bisichi Jantar (tin)	¶	59½	225½	(4)	282
Bisichi Jantar (columbite)	¶	43½	153½	(4)	191½
Ex-Lands Nigeria	51	46	250	(5)	265
Geevor‡	72	78	150	(2)	136
Gold and Base (tin)	35	30	160	(5)	193
Gold and Base (columbite)	Nil	1	2	(5)	3
Gopeng	219½	200½	1,536½	(8)	1,679½
Hongkong	½	½	4	(8)	6½
Idris	32	32½	172	(5)	158½
Kaduna Syndicate	13	25½	130	(5)	229
Kampong Lanjut	27	18	45	(2)	102
Kamunting	79	77	156	(2)	192
Kent (FMS)	55½	55½	266½	(5)	279½
Killinghall	47	44½	446½	(8)	629½
Kinta Kellas	29¼	26	55½	(2)	109½
Kuala Kampar	53	58	111	(2)	146
Lower Perak	26	30	26	(1)	29
Malayan	241	273	2,975	(11)	3,228
Pahang	155	163	1,862	(10)	2,120
Pengkalen	23½	18½	252½	(8)	291
Petaling	124½	92½	768½	(7)	469
Rahman	73	71	784	(11)	758
St. Piran—Far East†	20	18	38	(2)	38
St. Piran—U.K. (South Crofty)†	103	102	205	(2)	296
Southern Kinta	158	205	363	(2)	463
Southern Malayan	162	191	2,178	(11)	2,239
Sungei Besi	184	196	380	(2)	325
Sungei Way	37	41	428	(11)	526
Tanjong	21	28½	147	(5)	139
Tongkah Harbour	60	38	551	(11)	766
Tronoh	195	202	1,090	(5)	1,359
Utd. Tin of Nigeria (tin)	¶	¶	71	(12)	85
Utd. Tin of Nigeria (columbite)	¶	¶	Nil	(12)	¶
Wheal Jane†	87	98	854	(8)	895

* Four weeks. † Tin metal content. ‡ Figures include low-grade material. ¶ Not yet available. § Five weeks. Outputs are shown in metric tonnes of tin concentrates.



TV/Radio

† Indicates programme in black and white.

BBC 1

9.00 a.m. Teddy Edward. 9.05 The Mister Men. 9.15 Lassie's Rescue Rangers. 9.35 Champion for the King. †10.00 Laurel and Hardy ("Blotto"). 10.15 Double Bill: †"Down Among The Z Men," starring The Goons, and 11.25 "Summer Holiday," starring Cliff Richard. 1.10 p.m. Weather.

1.15 Wimbledon Grandstand: 1.25 Rugby League: New Zealand v. England; 1.40 Ali v. Bugner (a preview); 1.50-2.50, 3.10-5.35 Wimbledon Lawn Tennis Championships; 3.50 The Irish Sweeps Derby from The Curragh; 5.35 Final Score.

5.45 News.

†5.55 Sport/Regional News.

6.00 Jim'll Fix It.

6.35 Saturday Night at the Movies: "Island Of Love," starring Robert Preston, Tony Randall and Walter Matthau.

8.15 The Black and White Minstrel Show.

9.00 Cannon.

9.50 News.

10.00 That's Life.

10.40 Moira, starring Moira Anderson.

11.10 Eleventh Hour.

11.40 Ghost Story.

All Regions as BBC 1 except at the following times:—

Wales—11.10 p.m.-12.00 A Year of Champions (British Rugby). 12.00-12.30 a.m. (Sporting Choice: John Conteh. †12.30 News of Wales.

Scotland—†12.30 a.m. Scottish News Summary.

Northern Ireland—5.53-6.00 p.m. Northern Ireland News and Sport. 12.30 a.m. Northern Ireland News Headlines.

BBC 2

†7.40 a.m. Open University.

1.05 p.m. Saturday Cinema: "Happy Ever After," starring David Niven and Yvonne De Carlo.

2.30 Wimbledon Lawn Tennis Championships.

7.25 Westminster.

7.55 News and Sport.

8.10 Network.

8.40 Two Women, by Alberto Moravia.

9.30 The Tribal Eye.

10.20 Match of the Day from Wimbledon.

11.10 News on 2.

11.15 The Old Grey Whistle Test.

11.45 Film Night.

†12.15 a.m. Midnight Movie: "The Court Martial Of Major Keller," starring Laurence Payne.

LONDON

9.00 a.m. Open Day. 9.25 Play Guitar. 9.50 The Lone Ranger. 10.20 The London Weekend. 10.50 Junior Police Five. 11.05 Rock On With 45. 11.35 Tarzan.

12.30 p.m. World of Sport: 12.35 International Sports Special (part 1): Cycling—The Tour de France from Roubaix, plus soccer roundup. 1.10 News from ITN, followed by Australian Pools Check; 1.20 Canoeing—World Championships; Racing, 1.45, 2.15 and 2.45 from Newcastle, 2.00 and 2.30 from Lingfield; 3.00 The Curragh—Irish Sweeps Derby; 3.10 International Sports Special (part 2): U.S. Men's Outdoor Athletics Championships; 4.00 Wrestling; 4.55 Results Service.

5.10 News from ITN.

5.20 New Faces.

6.20 Sale of the Century.

6.45 Big Adventure Film: "The Greatest Show On Earth," starring Cornel Wilde, Betty Hutton and Dorothy Lamour.

9.30 News from ITN.

9.45 Seven Faces of Woman.

10.45 The Best of Russell Harty.

11.30 The Collaborators.

12.30 a.m. Yellow Pages.

All ITV Regions as London except at the following times:—

ANGLIA

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 247m

RADIO 2 1,500m and VHF

RADIO 3 464m, Stereo & VHF

RADIO 4 434m, 330m, 285m and VHF

BBC Radio London 206m and 94.9 VHF

London Broadcasting 261m and 97.3 VHF

Capital Radio 194m and 95.8 VHF

Your savings and investments

Milking the bonds

BY ERIC SHORT

THE MAIN criticism levelled against the retirement index-linked bonds is that they do not meet the primary requirement of the elderly, namely that such investors are concerned with income protection rather than having capital preserved. Investors, however, can still use these bonds to provide income simply by selling part of their holdings.

First of all, the investor should hold the whole of his investment in units of £10—the smallest bond denomination—to provide flexibility. Secondly, selling should not take place until the first anniversary of purchase has been reached. Then the repayment value is linked to the Retail Price Index and, most important, this amount *is free of any tax.*

Thereafter, the investor can sell the number of units necessary in order to obtain the required level of income. Of course, he loses the eventual bonus of 4 per cent. of the nominal value of those bonds sold before the end of the five year investment period, but such payment is miniscule.

One income plan already being mooted is to sell off enough bonds at each anniversary so that the value of the remaining holding at that time approximately equals the original outlay. By this means the investor secures an annual *income and has his money* back at the end. Under such a scheme the net yield on the original investment for a particular year is equal to the inflation increase for that year.

For instance, consider an investor holding the maximum *investment of £500 in 50 £10* bonds. If over the first year the RPI has risen by 20 per cent. each bond is then worth £12. So on the first anniversary he cashes-in eight bonds for £96, the remaining 42 bonds being worth £504—thus preserving his *original outlay. The net yield* on his £500 investment for the first year would be 19.2 per cent.

If in the second year the RP index rises a further 33¼ per cent., each bond has a value of £16. The investor sells ten bonds for £160—a net yield on *his £500 investment of 32 per* cent., while the remaining 32 bonds preserve his capital at £512.

The similarity to the withdrawal plans available with many unit-linked bonds is obvious. Such a scheme as outlined above does not provide the investor with an income that is inflation-proofed since if the *rate of inflation falls, the actual* income received during the year falls. But under current inflationary conditions, it far outperforms the guaranteed income schemes on the market, which offer basic taxpayers a net 8 to 9 per cent. return and less for higher rate payers.

● BROKERS

Supervision

THIS WEEK'S announcement that representatives of the four main insurance broking bodies have met to discuss future identification and supervision of insurance brokers heralds a move that is long overdue as far as the consumer is concerned. *At present anyone can put up a* name plate saying that he is an insurance broker and give ad*vice to clients on any aspect of* insurance.

However, the man in the street requires two things from an insurance broker. First, that he should be competent to advise on insurance matters and secondly, that he gives value for *money. To be able to do this,* the broker has to know the insurance market thoroughly and *also be able to assess* the security of the insurance company selling the contract. Additionally, the commission structure by which the broker is remunerated must be both fair to the consumer and adequate to the broker, both for life and non-life business.

A further field of study for the group is to consider the *sales* methods used by brokers and the types of advertising that are desirable. Insurance *brokers are not the best known* of professional advisers and some sort of advertising is necessary. But the danger was highlighted in the life market boom when there were a couple of instances of very bad marketing.

Above all, the brokers must ensure that, having decided on the ways and means of control*ling the insurance broking* industry, there are adequate teeth available to enforce their decisions. Otherwise the undesirable operators will soon bend the rules.

Banks' trusts

BY CHRISTOPHER HILL

EVER SINCE Lloyds Bank launched its First Unit Trust back in 1966 (pulling in £2½m. in its first offer) the clearing banks *have been extending* their direct interests in the unit trust field—the exception being the Midland which has preferred to concentrate on trusteeships.

But curiously enough, Lloyds, which entered the game first, has been the least aggressive *subsequently and it has really* been the late entry, Barclays, which has built up the broadest range. This has been mainly through acquisition—first of the Unicorn group via Martins Bank and then of Pan Australian and the Manx offshore funds.

Natwest has also had a quiet few years with its four funds, having come into the unit trust business through a marriage with Hambros and Commercial Union and a subsequent divorce where Hambros was concerned. Now, however, it is starting to re-assert itself again with a new Extra Income Fund yield*ing around 9 per cent.*

This is not the sort of fund which is going to set the world alight, but then this is not really the banks' style anyway. Natwest, for example, is proud of the performance of its funds over the past two years which *compares favourably with the* equivalent trusts run by other banks.

A lot of this is due to the good showing this year, for the Natwest Financial and Income trusts have both figured in the Unitholder top 30 trusts. But *the banks tend to shy away* from being "go-go" and investment management tends to be subject to the restraints of the banks' innate conservatism even though "committee" management is not so widespread as it was.

What the banks really seem to aim at is satisfying the customers' demands to an acceptable degree without putting themselves in the position of courting possible disaster. In this context, the Extra Income Fund is at the riskier end of *the spectrum,* for it must have a leavening of small companies. But the timing may not be so wrong — with the market currently in retreat, high yields are becoming easier to obtain than when share prices were roaring up.

This move also appears to be the first instalment of other moves, perhaps into the managed bond field. Banks have learnt over the past few years that with their branch networks and established customer relationship they are in ideal position to market all kinds of financial services. But, where all of them are concerned, they *play down the bank products in* order to preserve at least the semblance of unbiased advice. If a customer asks his bank manager to help him choose a unit trust he is likely to end up with one of the house products. If he makes his own suggestions *that likelihood* is considerably diminished.

In common with many other financial writers, I find it difficult to get very excited about the clearing banks as investment managers, for the reasons already outlined. But the suggestion frequently made in the past—that the banks' investment expertise is second-rate—is *probably a lot less true than* it was. The men in the investment department no longer pull their forelocks every time the general manager wrinkles his brow and they are no longer in the underpaid league. In fact, clearing bankers are probably doing better than their counterparts in merchant banks.

Banker's order

A LETTER in the Financial Times on Thursday produced some consternation in the National Savings Department. It mentioned the lack of provision in the prospectus for the SAYE index linked scheme for payment by bankers order. The writer wondered whether this *was an attempt to force* the use of the National Giro on an unwilling public.

The *answer is that the* prospectus for the oPst Office are geared to the Giro while those distributed to banks are tailored to bankers orders. There are also special prospectuses for employees' schemes.

One can see that National Savings is not trying to force people to use the National Giro. But it does seem rather mis*leading, since* people naturally aim for the Post Office as the first source of SAYE and were unaware of the *divergences in* the forms.

Striking a balance

BY CHRISTOPHER HILL

ONE OF the timeless features of the stockmarket is the way professional investors rationalise their moves. Towards the latter end of 1974, all the *economic indicators* were interpreted in a gloom and doom environment and from the be*ginning of the year up to the* referendum there was a steady increase in confidence. But *since the referendum on June* 5, the FT Ordinary Index has retraced its steps with a 14 per cent. *fall (up to Thursday)* and the "overseas earners," as depicted in the table below, have in many cases suffered along with the rest. Even before the referendum there was the feeling that the enthusiasm for this type of "hedge" stock had been overdone. And now that the eagerly awaited deflation package looks as if it might *have some price control strings* to it, and sterling is tottery, the referendum is out of the way, *investment managers have be*gun to look on the dark side. A typical reaction is that new money is now being put aside until they can see which way the cat jumps.

Whenever investment managers begin talking in *economic terms about the stock*market it is usually time to beware. This was the position before the referendum and on May 17 I reckoned that it was time to think of taking some profits while the mood was still euphoric—the alternative being to put some money into krugerrands, if one had not done so already. But now that the setback in equities has occurred, it might be time to start buying them again, assuming that the market is now approaching or at an oversold position. Certainly the chartists seem to agree that *this is the present situation. For* the record, the most resilient sectors since the referendum *have been oils. Machine and* other tools; Mining Finance; and above all the Gold Mines Index. The domestic price of the krugerrand has scarcely moved at all since June 5 (which is better than equities) and I still favour these coins at the current price of £83 with an 11 per cent. premium on the bullion value. However, one should not expect to make a quick fortune.

But the main problem for the individual is to try to arrive at a balance between risk and safety. Unlike the professional investment manager he has no indices which he has to equal or beat. Therefore I would still not advise him to put all his faith in U.K. stocks, though some of the overseas earners must be looking attractive now if the market is due for recovery, especially since they tend to be the blue chip stocks. Alternatively, the individual investor should be looking at shares or funds which contain *some direct overseas content,* such as the high dollar investment trusts (especially those *with dollar loans)* and *unit trusts* which have a broad spread of overseas investments. He can do very little else because of the negative effect of the dollar premium on individual investment overseas. So far as unit trusts are concerned, the poorest performers this year have been the international funds, but in recent years it has frequently been right to pick the next six months' winners from the bottom of the list.

OVERSEAS EARNERS

	Price 5.6.75	Price 26.6.75	change %
GLAXO	460	327xr	—29
BEECHAM	310	267	—14
UNILEVER	404	366	— 9.4
B.P.	518	507	— 1.0
SHELL	335	305	— 9.0
BATS	338	301	—11.0
ICI	302	259	—14.5
LONRHO	149	129	—13.4
STANDARD & CHARTERED BANK	510	485	— 5.0
EMI	195	171	—12.3
BOWATER	185	144	—22.0
MINET	150	132	—12
F.T. ORD.	365.3	303.8	—16.9

Boosting the stock level

BY TERRY GARRETT

IT IS now seven months since the Chancellor announced that, in an effort to increase corporate liquidity, he was introducing tax relief on total stock appreciation during the course of a year less 10 per cent. of trading profits. The safeguard against abuse was that the *inspector* could disallow part or all of any claim for relief. Yet judging by the lack of test-cases, companies do not appear to have over *inflated* stocks, although this is not an easy point to spot particularly when inflation is running high.

Even so, it would normally be poor commercial logic to push up stocks just to obtain tax relief, because of the usual consequent sharp rise in interest costs associated with large stocks. This fact alone should have kept companies in line. But what of groups like food *retailers, where stock-turn is* well into double figures and creditors are financing the stock level? *Presumably stocks could* in such cases be built up and run down again as necessary.

For example, one particular food retailing chain increased its sales by 38 per cent. during *1974-75, but year-end stocks* had jumped by a surprising 77 per cent., without any increases in selling space. *In fact* the increase in stocks less 10 per cent. of trading profits left over £1m. allowable against profits resulting in a tax charge payable of only £84,000 and a transfer to deferred tax of over £500,000. After adjusting for the deduction in tax payable next year (where the group has the benefit of a year's delay anyway) the *company* was able to improve cash flow this year by £400,000, equal to half of the total cash *flow of 1974-75.*

So, a retailing group whose creditors not only finance all the stock, but in effect top up the group's bank *balances* as well, can take advantage of legislation aimed at companies where inflation has put a strain on resources to replace stock. From the company's point of view it is worth taking *advantage of,* before legislation is possibly amended to, say, limiting relief to manufacturing companies, *but that would be a* hard one to define. Anyway it is worth looking at some of the retailing balance sheets in this context.

Finance and the family

Funds held in the U.K.

BY OUR LEGAL STAFF

My son has gone to the U.S. though he may return and after taking the allowable £5,000 per family, he had to leave a substantial sum behind. He wanted to buy a modest gift with some of the money, but was told he could not use it. Is this really the case?

It is quite correct that there are restrictions on the use which may be made of funds held in the U.K. by residents working abroad. These are designed to prevent leakages in the exchange controls which you will see could easily arise. A specific application to the Bank of England would be necessary for the purposes you describe, and would probably be granted.

Danger from dry rot

The house next to mine which is on the same lease as mine, has broken basement windows and a wooden floor showing signs of dry rot. I am concerned that the dry rot, and damp, may spread to mine. Is it not my landlord's responsibility to do something, or whose?

We do not think that your quarrel is with your landlord, but with the neighbouring leaseholders. We think that if dry rot did spread as a result of neglect on the part of the neighbouring leaseholders you would have a good cause of action against them in nuisance for damages. But we do not think that you would have any action against your landlord, nor against the neighbouring leaseholder until damage has actually occurred.

Transfer of foreign shares

I am a British subject resident abroad. If I transfer foreign shares to my nephew, would he be entitled to the premium on a subsequent sale? What would be their "costs" for capital gains tax purposes?

If you are non-resident for the purposes of U.K. exchange controls, shares owned by you would not become premium-worthy on their transfer to your nephew even though he is a U.K. resident. Capital gains tax liabilities in his hands would be calculated on the basis of the value of the shares at the time he acquired them, related in the case of a gift to the open market value, less the premium.

Negative dedication

People make a habit of taking a short cut across the ground of our church, which was built six years ago. Could the church lose any rights thereby and if so what should be done?

It is conceivable that if the public use this short cut for a period of 20 years they may acquire a right so to do by presumed dedication. However, the presumption of dedication to the public use can be negated, either by ensuring that on at least one day in every year the short cut is closed to the public as such; or by taking advantage of the Rights of Way Act, 1932. So far as this latter is concerned, a notice can be put up stating that there is no intention to dedicate in such a position as to be seen by users of the way; alternatively plans may be deposited with the local authority which will have the same result.

Maintaining a party fence

My title deeds state that the walls and fences between my property and that of my neighbour are party walls and fences, maintained and repaired at our joint expense.

My neighbour and I have agreed to replace a fence, but I find that the supports are on my land. I believe in law this makes it my fence. When putting up a new fence do I have to ensure that the supports are on my side, or is there any action I can take to ensure that I don't have trouble with a subsequent owner of the next property regarding the exact demarcation?

If there were nothing else in the situation, the presumption would undoubtedly be that that was your fence; but there is an agreement to the effect that it is to be a "party" fence (that is, to be maintained at the joint expense of the respective owners of the properties which it separates). The only action required as against a subsequent owner is to ensure that the fence is replaced along the existing line. This should ensure that there is no dispute as to the boundaries of your respective houses; but you may still have trouble with any subsequent owner of the next door property, as we think it would be impossible to enforce as against him any right to contribution as regards costs of repair or maintenance. This is because the burden of positive covenants (that is, ones which require the expenditure of moneys) do not run with the land.

Fees paid for mother

There are three children available to help their mother, one of whom received a capital gift from her as recently as 1972. Would you agree that he should not directly defray any of his mother's expenses for fear of prejudicing any possible Estate Duty exemption on the gift? Would there be any tax problems if he paid his share by making payments to his two brothers, assuming that the amount involved would be less than £1,000 a year?

If the mother is alive now, no question of estate duty can arise. Provided that not more than £1,000 per annum is paid by any one of the children there is no reason why they should not share equally in paying the fees.

Withholding of rent

In the leasehold flats in which we and 49 other tenants live, the ground landlord has largely failed to carry out his maintenance and repair duties. Should we withhold the ground rent or maintenance money?

You would only be entitled to withhold rent if the landlord is in breach of its covenants in the lease and those covenants are not of such a nature as to throw the cost of complying with them on the tenant. Your reference to maintenance money suggests that the covenants may be of such a nature. We think that your best course would be to procure the other tenants to contribute to a fund which would enable you to consult a solicitor straight away.

Wrong tiles

I ordered some vinyl tiles to be laid in my kitchen, which turned out to be very unsatisfactory, and after various visits and communications from the builder, I kept back £140 out of his bill. I asked Marley to visit, who confirmed that the tiles were not vinyl and that the kind used were unsuitable for putting on a wooden sub-floor. Do you think I am justified in not paying the balance of the account?

We think that you are right to refuse to pay the balance of the retention money, as there is a failure to comply with specification. You can invite the builder to relay with genuine vinyl tiles, after which (on the certificate of an independent architect or of Marley) you will release the retention. Alternatively you can have the relaying of genuine vinyl effected independently and deduct the cost from the retention money, releasing only the balance to the builder. In that case you would be entitled to claim from the builder any cost of relaying which exceeded the retention money.

Tax on income from U.S.

Referring to your reply headed Tax on income from U.S. (March 8), I am a U.S. citizen resident in Scotland for 10 years. My maternal grandfather established a U.S. trust fund in which my mother has a life interest, after which it comes to me. I wrote to the trustees, telling them to pay the income to my father, in case my mother were to predecease him.

Does my future liability to U.K. tax depend on (a) my U.S. citizenship, (b) my domicile (how is this determined?), (c) remittance, (d) my assigning my income to me father?

Will CTT be payable in respect of this property?

Under article XV of the U.K/U.S. double taxation agreement (as amended for 1966-67 onwards) a U.S. citizen resident in the U.K. is entitled to exemption from U.K. tax in respect of dividends and interest paid by U.S. corporations, for example, corporations, associations or other like entities created or organised in or under the laws of the U.S. This exemption is denied to a U.S. citizen who also possesses U.K. citizenship, but presumably you are not of dual nationality. However, as the terms of the double taxation agreement are being reviewed at the present time, it would be unwise to base your plans for the future on the assumption that the provisions of article XV will remain in force without further amendment.

Your domicile is important for capital transfer tax (as you have not yet been resident here for 17 years) as well as for income tax and capital gains tax. Your maternal grandfather's domicile is also relevant. Domicile is a difficult concept to explain briefly: perhaps it may be helpful to think of one's territory of domicile as being one's homeland—something which one inherits from one's father at birth (domicile of origin) but which may be changed in adulthood by permanent and exclusive choice (domicile of choice). In your own case, your domicile or origin is presumably one of the states of the U.S. and, unless you have decided to stay in Scotland indefinitely, to the exclusion even of other parts of the U.K., it is likely that you have not acquired a Scottish domicile of choice.

The taxation and exchange control implications of the situation outlined in your letter are of such complexity that, at least if significant sums are involved, you would do well to seek professional guidance.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Insurance

A new motor policy

BY JOHN PHILIP

LAST WEEK a new motor insurance policy was introduced—the "Perpetual" policy, sold by Shipton Insurance Services Ltd. and underwritten at Lloyd's. You may have already seen some advertisements on your TV screen or in your newspapers, and it is by advertising that the "Perpetual" policy is to be sold. Each advert contains a simple proposal form to enable the reader to apply for insurance: the premium is payable in monthly instalments by direct debit on the policyholder's bank account, after an initial payment of three months' premium.

Instalments

Of course there is nothing new in any of this—many insurers have offered motor cover in exchange for premiums by instalments, whether by banker's order or direct debit, or with the aid of a financial intermediary.

Some insurers have employed simple proposal forms where the motorist gives a few basic details and puts his signature to a multipoint declaration, which is designed to eliminate all but the insurers' pre-selected charge of risks (if the motorist is outside this range he cannot truthfully sign the declaration). And a few insurers have sold or attempted to sell motor insurance solely by advertising—particularly Midland Northern and Scottish in 1969-70 when it recruited around 100,000 policyholders entirely through the Press.

What is different about the "Perpetual" policy is that the monthly premium, though not index linked, is adjustable by insurers having regard to the movement of the Index of Average Earnings which is published each month by the Department of Employment. As the example in the current advert shows, this index moved upwards by 28 per cent. in the period March 1974 to February 1975, and so a monthly instalment fixed initially at £2 would have risen to £2.56 by the end of that 12 months.

But because the index moves month by month it does not follow that the monthly premium will do the same—insurers have to notify each policyholder by post, which must be an expensive exercise if undertaken too frequently, and they must also at the same time alter their direct debit instructions to policyholders' banks—in this connection the policyholder need take no action since the direct debit mandate he has to sign is for an unspecified sum. Ultimately the pace of inflation must control the frequency of adjustment of premium.

In this way the "Perpetual" policyholder will, to a considerable degree, be spared the experience that almost all motorists are now suffering—of receiving a renewal notice, quoting a premium between 25 per cent. and 35 per cent. up on last year's, simply because in the last 12 months most insurers have raised their motor rates twice.

Indeed the Department of Trade, which vets motor premium increases, recognises that while inflation moves at its present pace, a six-monthly uplift of premium by around 15 per cent. is essential if insurers are to have any hope of keeping abreast of rising claims costs.

Continuing cover

As with most other instalment plans the motorist gets a full annual certificate in exchange for his initial three months' payment—and though technically there is a policy anniversary date, in practice there is no renewal, because insurers continue cover against the monthly direct debit and issue a new annual certificate when this is required.

The "Perpetual" policy is a level premium, no No Claims Discount, policy which incorporates a £20 damage excess to eliminate small claims. From the insurers' point of view the non-NCD policy is attractive administratively since computers do not have to be programmed to perform and print out annual recalculations, and from the consumer relations aspect because it obviates the arguments that can arise over loss of NCD.

In the years since the break up of the motor tariff in 1968, several insurers have offered non-NCD policies, but it is clear that the great majority of motorists still prefer to buy NCD insurance. Seemingly, Shiptons have valued administrative simplicity higher than established consumer preference.

I said earlier that the proposer has to sign a multipoint declaration to prove eligibility: points covered are that he (or she) is between 25 and 65, makes no business use of the car except to travel to and from work, drives no more than 15,000 miles a year, has had no motoring accident in the past three years or motoring conviction (other than one speeding offence) in the past five years, and with existing insurers has earned four years NCD, which must be proved.

Some sections of this declaration are also applied to those whom the proposer contemplates will drive. Thus the "Perpetual" policy, like a number of others offered in the past few years, is available for a restricted number of motorists—and by setting their admission rules in this way, insurers have eliminated some of the underwriting factors that the rest of the market has to consider.

Personally I do not like this kind of multipoint declaration—though I accept its validity in the present marketing concept—because I think that deliberate questions and positive answers are a surer foundation for insurance of any kind, from both the proposer's and the insurer's point of view. It is too easy for the proposer to overlook part of the declaration—it is much more difficult for him to ignore even inadvertently a direct question about previous convictions, because there will be a gap in his answers.

Material facts

Clearly the declaration is concerned with what the law decrees to be material facts, and if it is untrue, for whatever reason, insurers can refuse to handle particular claims, perhaps even avoid the policy.

Nowadays in their renewal notices many insurers remind their policyholders of their legal duty to give information about any changes of risk since the last renewal. Because there is no renewal of the "Perpetual" policy, in the proposal form the proposer undertakes "immediately to disclose to underwriters any alterations affecting the truth of the answers" he has given. But human nature being what it is, how many motorists will remember this undertaking, and for how long?

TAXATION AND THE INVESTOR

How inflation erodes individual savings

BY JOHN CHOWN, TAXATION CORRESPONDENT

I WANT to start with some simple advice—and then to draw attention to some of its more subtle implications. Any man over the age of 65 and any woman over the age of 60, should if at all possible immediately buy his or her full entitlement of Index-linked National Savings Certificates.

These are available in £10 units with a maximum holding per individual of £500. This "ration" is independent of any other holding of National Savings and it is not a condition of entitlement that the applicants are actually retired or actually in receipt of a retirement pension.

EFFECT OF INFLATION ON SALARY EARNER (MARRIED—TWO CHILDREN)

PRESENT INCOME		REQUIRED INCOME TO MEET 25% INFLATION	
Gross £	After Tax £	After Tax £	Gross Equivalent £
2,000	1,802	2,253	2,693 (+34%)
4,000	3,102	3,888	5,193 (+30%)
6,000	4,399	5,498	8,012 (+33%)
8,000	5,492	6,866	11,199 (+40%)
10,000	6,386	7,982	14,509 (+45%)
15,000	8,129	10,162	23,504 (+57%)
20,000	9,451	11,814	33,224 (+66%)

These certificates, which have been available since the beginning of June, carry no interest and earn a mere 4 per cent. bonus if held for a full five years. Why then are they so attractive, why am I straying from my subject to give such positive investment advice and, above all, why should this particular investment have to be rationed to £500 per person.

The answer is that they are "indexed." Provided that you have held them for a minimum of one year, you will receive on cashing them, not £500 in depreciating pounds, but the sum of money that has the same purchasing power as £500 at the time of making the investment. If inflation continues at 25 per cent. per annum, as measured by the Retail Price Index (RPI), you would receive on maturity £1,525 plus the 4 per cent. bonus which is not indexed, making a total of £1,545. This is hardly riches as by definition it will only buy as much as your original £500 could buy to-day.

You are entitled to such a real payment regardless of the rate of inflation. Ignoring the bonus (less than 1 per cent. per annum) you get no return in real terms at all on the investment, but you do at least have investment which is guaranteed to retain its purchasing power. By absolute standards this is not very attractive, but in the Government's view it is so attractive that entitlement must be severely rationed.

A similar scheme is available for those who have not retired (but who are over the age of 16). They can take out the Third Issue Save As You Earn savings contract which entitles them to contribute up to £20 per month over a five year period. At the end of the period they are entitled to repayment of the whole amount, corrected for the RPI as a bonus to which they have not contributed.

Assuming a maximum contribution, the total amount paid in will be £1,200 and the index correction has to be calculated in respect of each separate contribution. Bonus (in this case £40) is again not indexed. This new contract will be available from July 1, and every investor should consider taking up his full entitlement.

In both cases no tax is levied on the gain. This might be thought of as only justice. After all there is no real return on the investment at all—all that happens is that the investment is protected against the ravages of inflation. In my view it is only justice, but justice in this case is being dispensed in very small rations indeed. The normal investor who is losing money on his investment in real terms is nevertheless taxed as if he was making money.

We are one of the few industrial countries which still has double digit inflation. Ours is 25 per cent. per annum and rising. Most other countries have been well above 10 per cent., are now below that figure and falling. More significantly, we are probably the only country with double digit negative rates of return to the investor. Redemption yields on short dated Government securities are some 10 or 11 per cent., while Banks, Building Societies and other saving media offer only about 9 per cent. The real yields are about minus 15 per cent.—if such yields continue, £1,000 invested in a pension fund (tax free) for twenty years would have a purchasing power of less than £40 at the end of the twenty year period!

As we all know, because of this, many pension funds are now actuarially insolvent. Employees as well as capitalists will be the sufferers. The Select Committee on Wealth Tax has been told that the real value of an inflation proof pension of a retiring Civil Servant is well in excess of £100,000 (it is literally "priceless" in fact) and has asked Inland Revenue witnesses if this explains their recommendation that pension rights be excluded. Their only defence was that pension rights can be lost. Who said investment income should be more highly taxed because it was more secure?

For the taxpayer this position is much worse. If he has £10,000 on deposit at 10 per cent., this will produce a gross income of £1,000. By the end of the year his principal will have fallen in value from £10,000 to £8,000 in terms of spending power so that he will be losing money.

Nevertheless a basic rate taxpayer will be charged tax of £350 and someone subject to tax on investment income at top rates will be charged tax on his money income at 98 per cent. even though he is actually losing on the deal.

These facts, the "investment income surcharge" is a nonsense. Those who *earn* money are likely, one way or the other, to see their incomes rise—although they have tax problems discussed below—while most investors are losing money in real terms. The starting point for the very top rate of tax (49 times as much for the Revenue as for the taxpayer himself) have been eroded in two ways.

First, £20,000 to-day is a lot less than £20,000 even last year. Second, rates of interest having gone up in *money* terms. An investment income of £20,000 now reflects a much smaller capital sum—about £200,000.

One can do some horrifying calculations. For instance, if you have £250,000, assume a 25 per cent. rate of inflation and can obtain 12 per cent. on your money and pay 75 per cent. tax, your real rate of return is minus 22 per cent. Assume you are retired and that you expect to live for twenty years, the maximum you can spend in real terms every year is £385 if your capital is to last your lifetime. There will be nothing left at the end of twenty years, which in view of CTT perhaps does not matter.

The Building Societies have already been complaining about "unfair competition" and want to suppress the further development of indexed savings. They are right to worry about competition offering a nil return, when assuming a continuation of present trends, the average building society investor, putting aside £1,000 to-day and re-investing all interest will have a spending power of £61 in twenty years time!

All this shows the extent to which private capital is being seriously eroded by inflation and that this erosion is being made worse by our tax system. The Government is on record as complaining that British industry is under-capitalised, although they cannot agree between themselves whether this is the fault of industry or of the City of London. (Politicians are never mentioned as guilty parties).

Unless industry and the private investor can make a real return on capital after allowing for inflation and after tax it is irrational to expect *any* investment to take place. Last year's profit is this year's investment: this year's investment is next year's job. If the Government wastes its time interfering in those economic details that are best left to the individual, and fails in its job of controlling the money supply and the level of Government expenditure, real profits will remain negative. Mass unemployment becomes inevitable and the figures I have quoted will affect not only the owners of wealth but those in jobs.

Countries such as Brazil have learnt to live with inflation by accepting it. The Brazilian policy of monetary correction is not a panacea. It raises problems as well as solves them and I have some doubts as to how readily their solution is adaptable to British conditions. Some such policy is, however, better than working on the assumption that one day somehow somebody will do something about inflation. It is better to adapt to the world as it is rather than to maintain institutions for the world as it might be.

Although I am an agnostic about general indexation, I have no doubt that the indexation of the tax system is urgently necessary. There are two separate aspects to this. First, where the starting points for various rates of taxes are fixed in money terms, the proportion of tax burden on a given real income grows with inflation. If prices rise by 25 per cent., a wage increase of 25 per cent. does not leave the standard of living unchanged and the figures at the higher levels are very high indeed.

The accompanying table shows (for a married man with two children) the increase in gross income needed to maintain a given net income in real terms after a 25 per cent. inflation. It will be seen that at all levels the increase exceeds, and at the top dramatically exceeds, 25 per cent. The figures assume an unchanged tax system. In fact, over the past two years increases in personal allowances have only gone half way towards dealing with inflation, which tax rates at higher salaries have increased even in money terms, adding to rather than correcting the problem of fiscal drag.

We are faced with the dilemma that either we give a company chairman the 60 per cent. nominal increase he needs just to maintain his standards, in which case uninformed opinion complains that he is getting too much, or we do not, in which case his real standard of living falls dramatically.

Some readers (those who are not company chairmen) may not particularly mind, but if the take-home pay of an individual with particular talents falls dramatically below international levels, there must be a drain of talent from the country. As I have explained on previous occasions, similar problems can arise with lower paid workers as a result of the Social Security system. Failure to index tax and Social Security starting points both contribute to the mechanism of inflation and worsen the injustices caused by inflation.

As explained above, indexation of this kind does not sove the problem of the investor. His problem can only be solved by some form of "inflation accounting" of investment income so that tax, including capital gains tax, is only levied on real returns. This, too, is urgently necessary both in the interests of justice and of economic efficiency.

Japanese plan £10m. U.K. plant

TOKYO, June 27.

TOYO SODA Manufacturing Company, one of Japan's top ten inorganic chemical manufacturers, is planning to build a £10m. plant in the U.K. whose feedstock would come from North Sea oil, the company said to-day.

The factory would be a 50-50 joint venture between Toyo and a British chemical company and would aim to export about half its output to the rest of the EEC. Toyo says that Britain's Yes vote in the EEC referendum played a big part in encouraging it.

The company is in the final stages of its feasibility study and expects to make a definite decision in the next few months.

Toyo Soda has looked at Teesside as a possible area for its factory, but has not chosen a site. The U.K. appeared an attractive destination for investment, Toyo said, because of North Sea oil and the language.

Toyo Soda says that the U.K's low labour costs were another attraction when it first started to consider its investment project, but this year's 30 per cent. wage rise has cancelled the advantage.

The company has a 15 per cent. stake in a $2,000m. petrochemical complex under construction by Japanese interests in Iran and joint venture investments in Indonesia, Greece and Brazil.

The move into Britain forms part of a strategy to advance into developed countries as a producer rather than as a supplier of know-how.

Economic Diary

NATIONAL Economic Development Council meets on Wednesday. Other events and statistics next week include:

MONDAY—Treasury economic progress report. National Food Survey report on consumption (1st qtr.).

TUESDAY—CBI economic policy committee meets. Housing starts, completions and grants (May). NEDC "Little Neddy" report on profitability and liquidity in the distributive trades.

WEDNESDAY—Sterling, gold and convertible currency holdings at the end of June. NEDC report on management training in industrial relations. Bank of England statistics expected include U.K. banks' assets and liabilities and money stock; quarterly analysis of bank advances; sterling, and also London dollar, certificates of deposit. (Mid-May).

THURSDAY—London Gazette will contain employment in production industries (April), overtime and short time working in manufacturing industries (April), and stoppages of work due to industrial disputes (May).

CHESS

By LEONARD BARDEN

SWAPPING QUEENS early in the game when you have the white pieces is an act liable to put a club player on bad terms with his match captain.

The assumption is that the queen swapper is at best unaware of the importance of scoring with the white pieces and at worst is keen to get home for a peak hour TV series.

At club level, the match captain's uncharitable suspicions are all too likely to be right; for one reason or another, the exchanger simply wants to avoid the hard work and precise calculation involved in middle game tactics with the queens on the board.

But while queen swaps in the opening are definitely in a bear market in club chess, they are on a quietly rising uptrend in the play of the professional internationals. The turning-point was game 13 of the Botvinnik v Tal world title match in 1961.

There, Botvinnik surprised the critical master audience in Moscow after the moves 1 P-Q4, N-KB3; 2 P-QB4, P-KN3; 3 N-QB3, B-N2; 4 P-K4, P-Q3; 5 P-B3, 0-0; 6 B-K3, P-K4 by discarding the traditional attacking plan (Q-Q2 followed by queen's side castling) in favour of the swap 7 PxP, PxP; 8 QxQ, RxQ.

Botvinnik showed that the weakness in White's pawn formation is more than offset by the tempo advantage which White enjoys in a near-symmetrical situation. There was also a psychological factor. Tal was known to dislike simple positions and was also down in the match, liable to over-reach in his efforts to catch up.

Earlier this week, Karpov scored a convincing success (11 out of 15) in his first tournament as world champion, and one of his wins featured an interesting variant of the Botvinnik strategy.

White: A. Karpov (Soviet Union). Black: J. Barle (Yugoslavia). Ljubljana 1975. Opening: King's Indian Defence.

The opening moves were 1 P-QB4, N-KB3; 2 N-QB3, P-KN3; 3 P-K4, P-Q3; 4 P-Q4, B-N2; 5 P-B3, 0-0; 6 B-K3, P-B4; 7 PxP, PxP; 8 QxQ, RxQ; 9 BxP, N-B3; 10 N-Q5!

Black, a young player intent on glory against the world champion, plans to gambit a pawn by 8 BxP, Q-R4 or by 10 KN-K2, P-N3; 11 B-K3, N-QN5. Karpov's counter is to utilise his own lead in development after the queen swap.

Play continued 10 ..., NxN; 11 BPxN, BxP; 12 R-N1, B-B6 ch; 13 K-B2, P-N3; 14 B-R3, N-K4; 15 N-K2!

Karpov is already angling for the sacrifice of rook for bishop on move 20, after which Black's advanced knight is stranded and White's QP becomes a winning trump.

The game ended 15 ... B-Q7; 16 BxP, R-K1; 17 B-B6, N-Q6 ch; 18 K-N3, B-Q2; 19 R-Q1, B-K8 ch; 20 RxB, NxR; 21 N-Q4, QR-B1; 22 B-QN5! BxB; 23 NxB, R-B8; 24 P-Q6, Resigns.

For if 24 ... R-Q8; 25 N-Q4 cuts off the rook and leaves Black no reasonable defence to P-Q7.

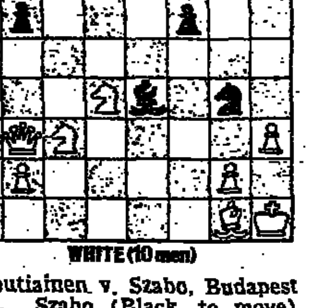
Sir Richard Clarke

Many obituaries of Sir Richard Clarke, who died last week, mentioned how he started the FT Index. Chess's equivalent of the FT Index is the British Chess Federation national grading system which assesses the tournament and match performances of all active players in the country.

The grading system was Sir Richard's brainchild and is widely recognised as a key factor in the growth of interest in chess in recent years. His work for grading also included a brilliant analysis of comparative results from Morphy to Bobby Fischer, and he also played a major part in encouraging our recent international achievements through his devoted and energetic work as chairman of the Friends of Chess. We shall mourn his passing.

POSITION No. 68

BLACK (10 men)

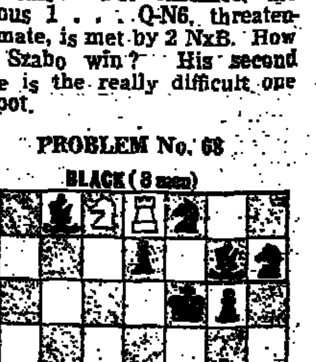


WHITE (10 men)

Poutiainen v. Szabo, Budapest 1975. Szabo (Black, to move) has a fine attacking position and the exchange ahead, but it isn't that easy. For instance, the obvious 1 ... Q-N6, threatening mate, is met by 2 NxB. How did Szabo win? His second move is the really difficult one to spot.

PROBLEM No. 68

BLACK (8 men)



WHITE (7 men)

White mates in two moves, against any defence (by S. Levman, British Chess Magazine, 1932).

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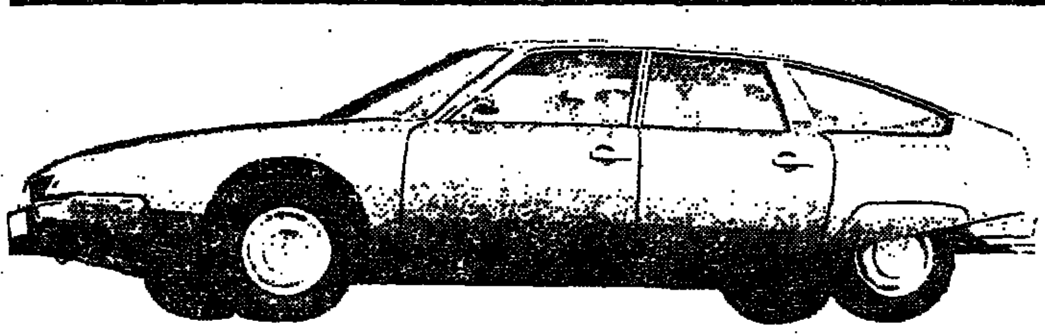
Motoring



The car of the year

BY JAMES ENSOR

A NEW CAR from Citroen is always interesting, partly because it is so infrequent, but also because the technical solutions adopted by Citroen engineers always display an ingenious if occasionally eccentric approach.

When the car has been voted "Car of the Year 1975," as the CX was, by a genuinely representative European jury, its arrival in Britain is of real moment. The CX goes on sale next week in two versions, of 1985 cc and 2175 cc, with price tags of £3,200 and £3,500 respectively.

Even in these inflationary days, this makes the CX an expensive two litre. It costs more than the Rover 2200 or the Peugeot 504, for instance, and is only a little less costly than the two litre BMWs and Mercedes, which have always occupied the upper end of the price scale in Britain.

It is interesting that the CX *is almost exactly the same price* as the DS, which continues on sale, though it is hard to see *how dealers* will persuade their customers to take the obsolescent model with the "Car of the Year" *in* the same window.

The new pricing strategy clearly owes something to the commercial thinking of Peugeot, which now owns Citroen, though the two marques will continue to compete. The Peugeot men were horrified to discover how much some of Citroen's advanced engineering costs in manufacturing terms and how little was being charged for it. So the new commercial policy will clearly be to position the CX *in between the Peugeot 504* and the new 2.66 *litre* 604, in price terms, and allow each to *find its own market.*

The success of the Citroen GS in Britain, particularly among the more *affluent* customers in the South East, augurs well for the CX. For the new car is *essentially* an extended GS in styling terms, with the engine and gearbox of the DS and *a few features—such* as the power steering—developed on the Citroen SM. *Its characteristics* of excellent long distance cruising performance, a ride which soaks up the *worst surfaces and a very com*fortably equipped interior are precisely those which have *attracted people to the GS.*

By British standards, the CX is a big car and it has ample space for five passengers and a good quantity of luggage. At the same time, its size and weight mean that its performance, at least in terms of acceleration, is rather modest, particularly with the smaller two litre engine.

However, Citroen engineers have achieved such an aerodynamic shape (the CX is derived from the French word for the coefficient of air resistance) that the car cruises comfortably and economically at motorway speed limits with very little fuss.

The use of the old engine from the DS, with its pre-war ancestry, *might seem to* be a damning feature of what is obviously intended as an advanced *design, destined* to be sold with little change for 10 to 15 years. But in fact, Citroen has clearly learnt a lot about noise damping and vibration insulation since the DS was designed, for the engine which seems so noisy and rough in the older car is tamed and reasonably civilised in the new.

The same cannot be said, *unfortunately, for the gearbox,* which is notchy and stiff and falls well below the standards *set by BMW and Alfa Romeo.* Cars of this class are increasingly being given five speed *changes as an economy* measure: the CX, with its high top ratio does not really need *this, however,* and it is interesting that Citroen does not plan to import the CX Economy, which with its very high gearing was designed for optimum fuel consumption. Driven carefully, the CX 2000 should return 26 to 28 mpg, which is good for a spacious five-seater car.

The interior arrangements of the CX are typically French, in *their use of deep, soft seats* with cloth covers and a highly functional if eccentric dash*board. Most of the controls* are mounted as toggle switches on a pair of huge wings which *surround the steering column* in a horizontal plane. Thus it is possible to operate the horn, *wipers and lights without* removing one's hands from the wheel.

The speedometer is the digital type with just a large figure showing, which Citroen originally adopted for the GS, but replaced on the British market after adverse press comment. I did not like it on the GS and I am afraid I still do not like it on the CX: in these *days of VASCAR equipped* police cars and proliferating radar traps, an instantaneous *warning of speed is essential* and the plain fact is that Citroen's "Cyclops eye" is far more difficult to read than a conventional sweep hand on a dial.

I think many British drivers will feel that some of Citroen's interior systems, particularly the dashboard, verge on gimmickry rather than sensible design advantages. However, these do not really detract from the overall merits of what must be rated as an outstanding if unusual car.

Golf

It must be sunstroke

BY BEN WRIGHT

THE EXTRAORDINARY massacre of the world's best *golfers wrought by the No. 3* course of Medinah Country Club, Chicago, last week in the 75th U.S. Open Championship remains the great mystery of a golfing lifetime.

The more I think about the mayhem of the fourth round last Sunday evening, the more I discuss it with judges of *greater experience, the more I* am perplexed. I have only one pet theory on the subject, which has so far been laughed out of court.

A collapse

The cold figures go nowhere near towards explaining such a remarkable collapse of all those realistically in contention at the very moment when one normally expects at *least one man* to reveal his character, and draw away from his rivals to record a famous victory.

But the fact remains that the last three holes on Sunday were played at 77 over par by the 67 qualifyers. Only 12 birdies were recorded over this apparently far from menacing stretch of golfing country, and only three men were under par in this disaster area — Gary Groh, who *tied for 18th place. Australian* Bob Stantonm who tied for 49th and Pat Fitzsimmons, who tied for 9th.

The latter, having started the final day in joint second place three strokes behind leader Frank Beard, had already destroyed himself before recording the only birdie in the last hour's play — a two at the 220-yard 17th.

In my efforts to concentrate on the leaders and their various disasters, I was completely unaware until later in the evening that Bob Murphy, who along with 29th-placed Tommy Aaron shared the distinction of recording the best of the day score of 69, had been forced to drop *his golf ball and the penalty at* the 18th hole on driving into the undergrowth to the left of *the fairway.*

Only this lapse kept him out of a play-off and in third place on 288, four over par alongside poor Beard, Ben Crenshaw, and defending champion Hale Irwin.

Murphy's other distinction was a unique one, in that he *actually improved his score* with each successive round. Irwin was the only player besides Murphy to beat par of 71 among the top 28 finishers, and *no one else matched it,* either.

It is not my intention to disparage their efforts by saying that little John Mahaffey and his eventual conqueror Lou *Graham backed into the play*-off. Both admitted that at the time they finished they were *not really thinking of winning* the championship, although it was unbelievable to hear Graham say that he had no idea what was going on until the scorers operating the main leader board beside the last green moved aside to reveal Mahaffey's name at the bottom at three over par. It had been posted there almost as an afterthought when the rosy-cheeked little Texan finished almost an hour previously.

Awesome humidity

So what was the reason behind the wholesale massacre at Medinah? American colleagues quickly discounted my theory that four days of awesome humidity and mostly blazing sunshine had finally taken its toll on the leading contenders in the shape of sunstroke—allied to the obvious pressures involved.

They pointed out that Americans are used to such conditions. But Peter Oosterhuis, who only resorted to wearing a cap for the last round, by that time had a complexion akin to a well-cooked lobster. His tantrums on missing a putt to save par at the 9th hole that provoked a further trio of shots dropped at the next three holes was strangely out of character. If Oosterhuis had not finished with six rock-solid pars to tie with Jack Nicklaus for 7th place, one would definitely have put his loss of "cool" down to sunstroke.

Come to think of it, Nicklaus' comments after his extraordinarily incompetent finish also smacked of a sunstruck victim. Said Nicklaus: "I used an artificial swing all day because I hadn't been able to make any other swing work. I used a right to left swing and got away with it—until No. 16."

Nicklaus is so technically knowledgeable that one hesitates to argue, but in my opinion he started to throw away a title that was suddenly his for the *taking by coming off the tee* shot in question so fast that only a firm right foot that took *all his weight prevented him* from falling over backwards.

It was the worst stroke I have ever seen *Nicklaus perpetrate* in the very situation that so often inspires him. His fluffed *chip at the 17th hole from* behind the green was equally incredible. Any properly hit chip *shot from such a spot was bound* to finish below the hole, which at least presented an oppor*tunity to save par uphill.*

Ben Crenshaw's suicidally toe-ended 2-iron shot into Lake *Kadijah* at the same *hole.* Beard's normally immaculate short game that fell apart—the *more I think of it, the more I* am convinced that sunstroke can be the only answer. It *would be a charitable explana*tion of Graham's total ignorance of the situation he finally found himself in. Can you *really* believe a man doesn't know that he is about to win or lose the U.S. Open until he reaches the final green?

In all truth, Medinah could hardly have played more easily. The torrential rain that preceded the championship took much of the expected lightning pace out of the greens, and made them far more holding than is normal for the event. The rough was not as deep and tortuous as one has come to expect at the U.S. Open, especially around the greens. The fairways were impeccable once the greenkeepers could get on to them to mow them before the second round.

Claustrophobic

Of course Medinah's stately oaks make it a tight driving and claustrophobic course. But I lost count of the number of times the world's leading golfers pulled out iron clubs for safety and hit their golf balls straight, or rather very far from that, into the trees. Was it a coincidence that apart from Oosterhuis in the final round only Graham and Murphy of the leaders wore a jockey cap and *soft brimmed hat respectively* throughout the event and that Aaron always wears a cap?

Bridge

Considering all things

BY E. P. C. COTTER

TO-DAY'S HANDS both come *from* first-class matches, and are examples of fine dummy play. Here is the first, dealt by South with North-South vulnerable:

N.
♠ 6 5 4
♥ 8 7
♦ Q 5 3
♣ J 8 7 4 2

W.
♠ K Q J 10
♥ 4 2
♦ 9 8 6 2
♣ 9 6 3

E.
♠ A 8 3 2
♥ K 6 5 3
♦ 7 4
♣ Q 10 5

S.
♠ 9 7
♥ A Q J 10 9
♦ A K J 10
♣ A K

South decided to open with a conventional two club bid. His hand is not ideal for this forcing bid, but it is too powerful to open with a mere one heart. Over North's two diamond response South rebid two hearts, and after three clubs from North showed his second suit with three diamonds. North gave false preference rightly with three hearts, and South said four hearts.

West made two spades, and South ruffed a third spade. Many a declarer would cross to dummy's diamond Queen and take the trump finesse, which on this occasion would result in defeat. But this declarer, with the probable 4-2 division of trumps in mind, adopted a safer line. At trick four he led the Queen of hearts. If either defender wins, he can*not continue spades, because* dummy still has a trump on guard. East let the Queen win, and *now* South crossed to the table with a diamond, took the heart finesse, and cashed the Ace. Then he played his winners and so avoided a second spade force which would have proved fatal.

This is the type of hand which will be misplayed even by the reasonably good performers. Incidentally, it occurred to me that a West, holding K x in hearts, could cause havoc, if he read the declarer for only five trumps, by letting the Queen hold. He could win the subsequent finesse, and breach the trump fortress with another spade.

The second hand was dealt by South at love all:

N.
♠ J 9 8
♥ J 7 2
♦ A 9 7 4
♣ 9 5 2

W.
♠ 7 6 5 2
♥ Q 6 5
♦ J 6
♣ J 8 6 4

E.
♠ K 10 3
♥ 9 8 4 3
♦ Q 8 5 3
♣ Q 10

S.
♠ A Q 4
♥ A K 10
♦ K 10 2
♣ A K 7 3

Here, too, South opened with two clubs, North replied two diamonds, and South said two no trumps. This rebid shows a balanced hand of 23-24 points, and may be passed by a responder with fewer than three points. With an Ace and two Knaves, North, of course, raised to three no trumps, and West led the two of spades.

Most players do not lead fourth best unless from an honour, but this West thought the low card might mislead the declarer. The eight in dummy was covered by the ten and Queen, and then South led the ten of diamonds. West covered with his Knave and was allowed to hold the trick. He made the good return of the diamond six, which went to the seven, eight, and King. The declarer now led the three of clubs, the *nine on the table drew the ten,* and East returned the Queen.

Winning with the King, South led a diamond to the Ace, *but* there was no 3-3 break, West throwing a spade. He returned to hand with a club to the Ace, and East threw a heart—again no 3-3 break. But the endplay was marked, so the declarer threw West in with a fourth round of clubs, forcing him to surrender the ninth trick in one of the major suits. Of course, he could have finessed the Knave of spades, but why take an unnecessary risk?

More save energy in the home

By David Fishlock, Science Editor

BRITAIN'S reputation for having the world's draughtiest homes is *fast being destroyed by the* £3.3m. "Save it" publicity campaign mounted earlier this year, claims the Department of Energy.

The latest of a series of public opinion surveys begun by the Department of Energy last August has disclosed that two out of five of the 1,000 people interviewed had recently embarked on some energy-saving measure. The *department also asserts that the* measures being taken are those that matter most—insulation of lofts and hot-water cylinders, and the elimination of draughts.

Although people were well *aware of the need to save energy* they were very uncertain about how to go about it, the first survey indicated.

This was the basis on which the department planned its "Save it" campaign, says Mr. *Bernard Ingham,* director of information at the Department of Energy, writing in this week's *New Society* on the problem of selling a "non-product." Its objects were first, to reinforce the public's recognition of the need to save by some graphic exposition of the need to do so; and second, to give simple, *practical advice on how to save* energy.

TV top 20

Week ended June 22

			Homes viewing (m.)
1	Edward VII	ATV	7.75
2	Man About the *House*	*Thms.*	7.00
3	And Mother Makes Five	Thms.	6.90
4	Crossroads (Tue.)	ATV	6.85
	Crossroads (Wed.)	ATV	6.80
	Crossroads (Thur)	ATV	6.80
7	Coronation Street (Wed.)	Gran.	6.70
8	News at Ten (Tue)	ITN	6.60
9	Coronation Street (Mon.)	Gran.	6.50
10	Crossroads (Fri.)	ATV	6.35
11	The Main Chance	Yorks.	6.30
12	What Would You Do	Yorks.	6.15
13	The David Nixon Show	Thms.	6.10
	News at Ten (Wed.)	ITN	6.10
15	Don't Ask Me	Yorks.	6.05
	News at Ten (Thurs.)	ITN	6.05
17	Sam	Gran.	5.85
18	World in Action	Gran.	5.75
	The Undersea World of Jacques Cousteau	BBC	5.75
20	It's a Knockout	BBC	5.70

Figures compiled by Audits of Great Britain for Joint Industry for Television Audience Research.

WIMBLEDON TENNIS — BY JOHN BARRETT

Easy day for singles seeds

ON A DAY when the seeded players began to assert their authority, another capacity crowd arrived to continue the trend of fervent support that the 1975 Championships at Wimbledon have created.

Hardly had top seeded Jimmy Connors (U.S.) dismissed the challenge of Australian Phil Dent 6—1, 6—2, 6—2 and his one-time financée and top ladies' seed, Chris Evert, had beaten *Japan's Kazuko Sawamatsu* 6—2, 6—2, than the gates were being closed again. But the upsets came late in the afternoon when the top two seeds in the men's doubles were beaten.

By the end of the day another 34,490 people had crowded into the ground to give a 5-day aggregate in excess of 163,288—a total it took the U.S. Open Championships at Forest Hills last year 12 days to achieve. Thus, it seems certain, that given continued fine weather, last year's Wimbledon record of 306,111 will be shattered.

Czech demolished

Perhaps the most significant of the five top ladies seed results yesterday was the 6—0, 6—0 achieved by Margaret Court, three times a past winner here, who demolished Renata Tomanova of Czechoslovakia. The No. 2 *favourite, Martina Navratilova,* another Czech, was more successful and accounted for the fast-improving South African girl, Greer Stevens, 6—4, 6—3.

The other leading lady—for that Miss Goolagong now certainly *is under her new title of* Mrs. R. Cawley, who is seeded 4th—was equally severe on another of the good South African girls, Ilana Kloss, who was beaten 6—3, 6—2 without ever threatening her opponent.

At the *beginning of the after*noon on the Centre Court the blond Swede, Bjorn Borg, tackled the darkly handsome American No. 3, Marty Riessen, who is seeded 13. Borg won the first set comfortably enough, justifying *his ranking ten places above* Riessen. The American virtually handed him a service break at 2—2 with two double faults and the gods gave Borg another when the net cord came to his assistance. A moment later Borg made it 6—2.

But when Riessen broke serve in the third game of the second set with some astonishing anticipation, his confidence grew visibly. Even though Borg broke back at once to level at 3—3, Riessen restored his advantage with two superb lobs and a forehand pass. It was his own *nervousness that caused a* 5—3 lead to evaporate as he vainly tried two drop shots when serving for the set.

The familiar top-spin returns to Riessen's feet took their toll and the American did not recover from this setback although he did hold two set points before Borg forced his way ahead 8—6.

The third set followed a similar pattern though this time *Riessen, after breaking in the* fifth game, narrowly held on as Borg again surged into the attack. As Riessen served for the set at 5—4, Borg forced several advantage points but was unable to repeat the second set magic so that Riessen duly won his set 6—4. How different it would then have looked if only Riessen had been as sure at the close of the second set.

No-one could have predicted the *one-sided events of the* fourth set from what had gone before. In the twinkling of an eye Borg led 5—0 before conceding a game and after almost two hours play, he completed his victory 6—2, 8—6, 4—6, 6—1, to move into the last eight and a match with either Arthur Ashe, the sixth seed or the last *remaining Briton, Graham* Stilwell.

Court 1 saw the full flowering of a remarkable talent. Tony Roche, the 30-year-old Australian who is seeded 16, knitted his artistic left-handed game together with such control and skill that one of the most promising of his young fellow countrymen, Ross *Case, was completely nonplussed.* The score, 6—2, 6—0, 6—3, cannot completely reveal the ascendancy which Roche contrived by virtue of an immaculate return of serve that repeatedly had the younger man volleying off his *shoelaces.*

Connors continues to improve with every match. Last year Dent came closest to defeating him in an absorbing match in the second round in which the Australian was two points from victory. Yesterday, it was as if Connors was determined to wipe that match from the memory as he smote the ball with his customary violence to score a runaway victory.

Another seed, Tom Okker, *routed another young Australian.* The Dutchman, seeded nine, was altogether too fast and imaginative for Kim Warwick, who is a product of the same Vic Edwards stable that produced Evonne Cawley.

Those who came to watch the left-handed cannon-ball serving of America's 11th seed, Roscoe Tanner, must have wondered where to find him. There he was, out on Court 12, playing Mike Estep, the man who had brought down Sherwood Stewart who had gained lasting fame on Wednesday by beating 5th seed Ilie *Nastase.*

Estep was another who finished late. In fact, his victory had spread over an exhausting 3½ hours so that it was no surprise to see Tanner record a relatively straightforward victory 9—8, 6—4, 6—2 against a wilting opponent.

Late in the afternoon we were *subjected to the usual agonies* of doubt by Virginia Wade, who made a straightforward match difficult *against* America's Janet Newberry. After allowing an American passing shot on the backhand to nullify a match point she held, at 5—4 in the second set, the sixth seed drifted to 1—5 down in the decider with a string of elementary errors, and another upset seemed imminent.

In commending the recovery that eventually saw her safely home—6—2, 6—8, 8—6—after she had survived three match points against her in the 10th game of that last set, I really have to admit to complete frustration in witnessing the incompetence of such a supposedly good player.

In her defence it must be said that this is only Miss Wade's second match this year, but she will surely not be allowed to get away with such fluctuating form against her next opponent, the formidable American, Rosemary *Casals.*

The seventh seed, Olga Morozova (USSR) was also made to struggle by California's Kathy May. Three times the past American junior champion served for the match in the *second set, and three times she* was thwarted. When she lost her serve to love in the 16th game, her inspiration deserted her and she could win only one more game as form prevailed, 4—6, 9—7, 6—1.

Sensation

We could hardly expect a day *without sensation and were pro*vided with two for good measure from the men's doubles event. The first seeds, Brian Gottfried (U.S.) and Raul Ramirez (Mexico), who arrived here as WCT champions and with more than 60 *consecutive successes* behind them, lost 6—2, 6—3, 7—5, to the uncompromising American pair, Charlie Pasarell and Roscoe Tanner.

Then, in a thoroughly entertaining and joyous affair, Connors and Nastase, the second seeds, went down, still clowning to the last, 9—8, 4—6, 6—4, 6—4, to Dick Crealy (Australia) and Nicola Pilic (Yugoslavia).

One had the feeling that Nastase, out of the singles *already, was determined to enjoy* himself, even if it meant losing; and surely Connors, from the outset, has had the singles as his chief objective.

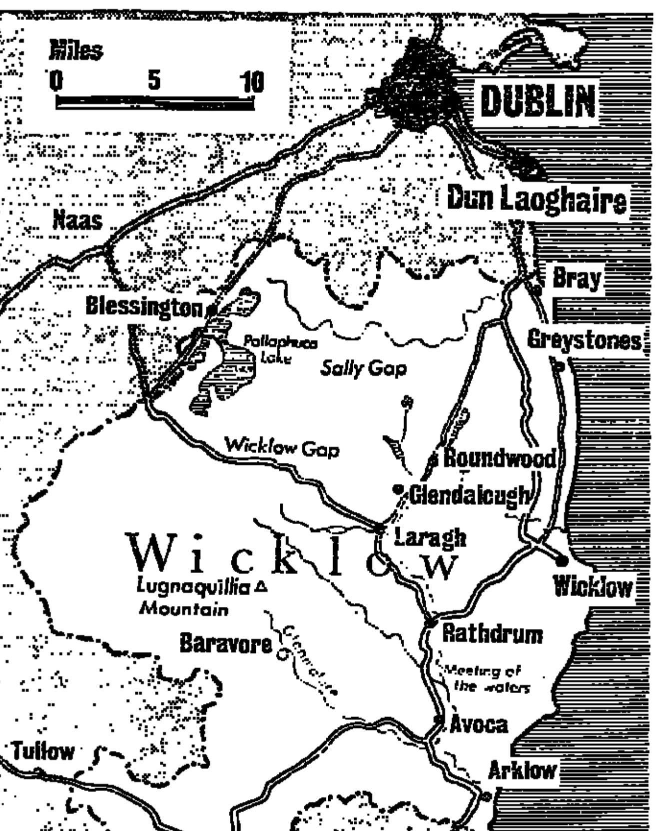
Almost unnoticed among the greater deeds on the show courts, *Alex Mayer (U.S.)—who had* beaten Nastase in the 1973 boycott Wimbledon—had another seeded scalp when he beat the tall New Zealander, Onny Parun (15), 9—8, 6—4, 6—2.

Travel

Wicklow in the Republic

BY HAROLD CHAMPION

THE REPUBLIC of Ireland continues to be an attractive holiday area despite happenings north of its border: and in the Republic the district of Wicklow, notably Glendalough, is among the most attractive of counties.



This may seem a remote and difficult destination. Certainly it's difficult, or rather, expensive, to take one's car there, though a car is a great asset on an Irish holiday. There are several routes. Holyhead to Dun Laoghaire, Fishguard to Rosslare, Liverpool to Dublin.

I solved the problem by flying to Dublin by British Airways and hiring a self-drive car there—again expensive, but very convenient.

Dublin is not a well signposted city: but my driver, who has something of the directional instincts of a homing-pigeon, took bearings from the sun and soon found the Wicklow road.

Our first stop was Bray where there's a nice bay of sand and shingle. The excellence of the Black Velvet (a mixture of champagne and Guinness) served at the Royal Starlight Hotel encouraged us to stay there for the night. It's pleasant enough and the cost for two people with dinner and drinks was £16.55.

An important asset when touring by car is a detailed map of the district to be covered but, surprisingly enough, it was only with great persistence that we found one in Bray. With its aid we then headed for Greystones—not so good a beach—thence to Wicklow and Glendalough where the surrounding countryside is lovely and at the time of our visit was ablaze with the colour of gorse and broom. A scenic route is well marked out by the authorities.

Thackeray wrote of the Irish scenery: "I think the Irish scenery is just like the Irish melodies—sweet, wild and sad even in the sunshine. I do not know if there is any tune about Glendalough but if there be it must be the most delicate, fantastic fairy melody that ever was played. Only fancy can describe the charms of that delightful place."

Glendalough, "the glen of the two lakes," is in the heart of the Wicklow Mountains and in the heart of Glendalough is the Royal Hotel whose traditional hospitality goes back to the beginning of the 19th century.

The bill for two people for bed and private bathroom, breakfast, lunch, dinner and wines for two days was £50 including service charge. I should add that one lunch here was outstandingly memorable, consisting as it did of fresh salmon and equally fresh salad. This hotel was recently modernised but retains its traditional atmosphere.

At Glendalough there is some of the best climbing and hill-walking in County Wicklow. If you are an expert rock-climber you will find plenty of spots to put you on your mettle, but there are numerous climbs which are easy to accomplish yet exciting. The highest of the Wicklow Mountains, 3,039 feet Lugnaquilla, can be conveniently climbed from Baravore in the nearby valley of Glenmalure where there is a pleasantly situated hotel of that name.

For the less energetic there are delightful walks along the river bank, one along the so-called "green road," and through the "remains" for which the area is famous.

Glendalough has many ecclesiastical associations: for example, it was here in the 6th century that St. Kevin came as a hermit and ultimately founded a monastic settlement which attracted students from Britain and continental Europe.

I think that a holiday here will be more interesting and instructive if a certain amount of preliminary home-work is undertaken. It would be well to know something of St. Kevin's life and work, for example, of the numerous Round Towers, built as belfry refuges from the incursions of sea-raiders, which were normally attached to monastic settlements. In fact, Glendalough is full of history and is still regarded as one of Ireland's most sacred of holy places.

There is a variety of places to eat and drink in the district, The Laragh Inn at nearby Laragh, for instance, and the Roundwood Inn at Roundwood; and, as shopping is a "must" for ladies, it is worth noting that opposite the Royal Hotel there is an excellent souvenir shop where we bought six Kilkenny cut glass tumblers of shamrock design for £4.65.

Everywhere there is the sound of rushing water which was particularly noticeable on a Sunday morning drive to Blessington which took us through the Wicklow Gap.

The countryside is a mixture of green valleys, pinewoods, high and bleak moorland, lakes and waterfalls. But beware those who travel in this part of the world on a Sunday for the thirsty will not get any strong drink until 12.30 p.m.

The famous Meeting of the Waters and the Vale of Avoca, Sally Gap with its magnificent panorama, and on the western side of the Wicklow Mountains the vast Pollaphuca Lake, are essential beauty spots to visit and are easily accessible by car. And the road back to Dublin from these parts presents a fine view of the city and of Dublin Bay.

Two useful and interesting books are "A Book of Ireland" edited by Frank O'Connor, a Collins publication costing £1.00 and a scholarly work by the Reverend Sir John O'Connell M.A. LL.D., which I picked up in the Royal Hotel, entitled simply "Glendalough." Both are to be recommended as travelling companions on a trip to Wicklow.

Gardening

A garden of roses

BY A. G. L. HELLYER

THE ROYAL National Rose Society's summer show, which opened yesterday in the Royal Horticultural Society's two halls at Westminster, provides a fine opportunity to see some of the new developments in rose breeding to which I referred briefly a fortnight ago. Even more illuminating would be a visit any time during the next few weeks to the RNRS gardens at Bone Hill in Chiswell Green Lane near St. Albans.

Fine display

Bone Hill, a pleasant country house with plenty of land around, was purchased 12 years ago and since then the gardens have been steadily improved. To-day it is very good indeed, whether judged purely as a display garden in which thousands of roses are grown just about as well as roses can be grown anywhere in the country, or as an educational centre where it is possible to learn more about roses in an afternoon than in days reading books.

A major function of the garden is for the trial of new roses. Virtually all rose breeders who contemplate introducing new garden roses in Britain send them first to Bone Hill in the hope of getting one of the possible awards which, in ascending order of merit, are Trial Ground Certificate, Certificate of Merit and Gold Medal.

In addition, the Henry Edland Medal is awarded for the most fragrant new rose, and the President's International Trophy for the best rose of the year, but any or all of these awards can be withheld if the judges are not satisfied that entries are of sufficiently high standard.

In fact in recent years the number of annual awards has declined sharply, and this, I think, reflects more stringent judging and, in particular, increased concern about the constitution of entries.

Trial roses are grown for three years at Bone Hill and though they are sprayed the first year to clear them of any diseases with which they may be infected on arrival, they are only sprayed up to about mid-summer the second year and not at all the third year. New roses that get badly diseased are simply dug up and burned, and it is instructive to note how many gaps there are, even in the second year beds—and also to note which raisers have the fewest gaps and, by inference, the most disease resistant breeding stocks.

A second function of the garden is to display roses that are already in commerce and this has always been superbly well done. My one criticism has been that the display garden was too exclusively devoted to roses, for, beautiful though these are, they look still better in company with other plants and this is the way in which most people grow them.

Considerable improvement has been made in this respect, a number of good trees have been planted, though it will be a few years before they make their full effect, and when I visited Bone Hill last week I was pleased to see generous quantities of that excellent hardy plant Geranium pratense Johnson's Blue. But that will only last in bloom for a few weeks and there is room for a lot more imaginative planting of good rose companions.

New activities

However, it is the three newest activities at Bone Hill that really delight me most. These are a really comprehensive collection of wild (or species) roses, an equally fine collection of old garden roses, and three interesting model gardens which have only just been completed and, as they mature, will no doubt give visitors lots of ideas on what to do (and maybe one or two on what not to do) in their own gardens.

Probably it is these model gardens that will appeal to visitors most and, since they are totally different, everyone will have his or her own opinions as to which is best. I particularly like the sunken and partially paved garden in which miniature roses play a major role, for attractive though these tiny roses are, I have never known quite how to use them effectively in the garden and this method seems very good. However, the little bushes are planted so thickly that I suspect this must have been the most expensive garden of the three to plant.

But to my mind the most important developments at Bone Hill are the creation of the species and old rose collections. It is not simply that these are of botanical or historical interest or that they are astonishingly beautiful in their own right. They also represent an immensely valuable reserve of breeding material (what the scientists call a "gene bank").

This is particularly true of the species since, despite the apparent complexity and obvious diversity of modern garden roses, a pathetically small proportion of available rose species has been used to produce them.

Mr. E. F. Allen, the present president of the society and an amateur rose grower with a special interest in species (he was largely responsible for this collection) believes that the garden roses of 2025 AD will look very different from the roses of to-day, largely thanks to the introduction of desirable genes from just a few of the so far unused species.

He believes that they will start to flower earlier, will be far more disease resistant and will have the added beauty of attractive heps to follow their flowers. He is already attempting to turn theory into practice by breeding with rose species in his own garden. It would not be the first time that an imaginative amateur had mapped out new ground for the professionals.

Shrub roses

Remember the Reverend J. H. Pemberton and his fine race of shrub roses, some of them still top favourites though raised in a vicarage garden more than half a century ago.

Bone Hill is open daily from June 15 to September 28 from 9 a.m. to 5 p.m. on weekdays and 2 p.m. to 6 p.m. on Sundays. Members of the society are admitted free and can bring one guest free and four more at half price. The price of admission to non-members is 22p (children 11p).

10,000 cut in whaling quota

By Richard Mooney

THE INTERNATIONAL Whaling Commission has agreed to the sharpest cuts in its whale hunting quotas since its formation in 1946. Following the commission's annual meeting in London this week, the president, Mr. Inge Rindall, said the new quotas would reduce the world catch by some 10,000 from last year's total of 37,300. However, other sources, including the Friends of the Earth, put the reduction at nearer 5,000.

Mr. Rindall said the cuts—which are based on the recommendation of the commission's scientific committee and were proposed by Australia—will cost the whaling industry $40m. a year at current prices.

The most severe reduction is in the quota for fin whales. Last year's quotas were for 1,000 in the Antarctic and 300 in the North Pacific. This year, the Antarctic quota is reduced to 220 and fin whale hunting in the North Pacific is banned altogether.

The allowable catch of sei whales is virtually halved from last year's 6,000, Mr. Rindall said. This is the only instance where the catch level has been set above the figure recommended by the scientific committee, he added.

"No whale species anywhere will be over exploited under the new quotas," Mr. Rindall claimed, adding that there was now no species in danger of extinction.

Under the commission's rules, whaling nations now have 90 days in which to object to any of the quotas, in which case they would be exempted from observing them. However, although Russia and Japan—the only remaining significant whaling countries—abstained on several important votes there is no question of them lodging objections, according to Mr. Rindall. "Both the Soviets and the Japanese went along with the decisions without grumbling . . . too much," he said.

NEW TV RELAY

The Independent Broadcasting Authority's television relay station near Westwood, Wiltshire, comes into service next Friday.

CHESS SOLUTIONS

Solution to Position No. 68. Black won by 1 . . . BxP ch; 2 KxB, R—KN1! (the point is that if now 3 PxN, RxP ch; 4 K—B1, Q—N6 wins); 3 K—R1, Q—R7 ch! and White resigned because of 4 BxQ, N—B7 mate.

Solution to Problem No. 68. 1 Q—QB5 (threat 2 QxKP). B—K3; 2 QxQP, or if P—K2; 2 R—B4, or if N—K3; 2 RxNP, or if BxR ch; 2 NxB.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. 01-836 3161. ANTONIO & THE NATIONAL DANCE COMPANY OF SPAIN. June 30 to July 26. A breathtaking and colourful spectacle.

COVENT GARDEN. 240 1911. THE ROYAL OPERA. Tonight Tue & Fri. 7.30 Cosi fan tutte. Kerns replaces Ganzarolli. Mon & Thur. 7.30 Death in Venice. Wed 7.30 Falstaff. Seats available.

GLYNDEBOURNE FESTIVAL OPERA Until August 6 with the London Philharmonic Orchestra. Today at 5.30 The Rake's Progress (Stravinsky). Sun. & Tue. at 5.15 Yevgeny Onyegin (Tchaikovsky). Wed. & Fri. at 5.30 Cosi Fan Tutte (Mozart) possible returns only. Box Office Glyndebourne, Lewes (Ringmer 812411) & Ibbs & Tillett, 124, Wigmore St. (01-935 1010).

SADLER'S WELLS THEATRE. Rosebery Ave. E.C.1. 837 1672. Last 2 perfs. NEDERLANDS DANS THEATER Today 2.30 & 7.30. Strangers. Jennifer Muller's sensational ballet direct from the Holland Festival.

THE ROYAL BALLET AT BATTERSEA PARK. 240 1911. Today 2.30. Danses Concertantes. Two Pigeons. Tonight 7.30 La Bayadere. Flower Festival. Don Quixote Pas de Deux. Walk to the Paradise Garden. Elite Syncopations. Standing room only available at 50p from 1½ hours before curtain up.

THEATRES

ACT INN. 57, Brewer Street. W.1. Tues.-Sun. 8.0 Patricia Samuels, Richard Huggett in THE FIRST NIGHT OF PYGMALION by R. Huggett.

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mat. Thurs., Sat. 3.00. JEAN SIMMONS HERMIONE GINGOLD JOSS ACKLAND in A LITTLE NIGHT MUSIC "Music that Ravishes the Senses. A Show Kissed with Genius." Gdn.

ALBERY. 836 3878. Mon. to Fri. 8. Sats. 5 and 8.15. Mat. Thurs. 3. JUDI DENCH, DANIEL MASSEY THE GAY LORD QUEX with SIAN PHILLIPS Directed by JOHN GIELGUD "I enjoyed it immensely." F.Tms. "Worth a record run in the West End." D.Ma.

ALDWYCH 836 6404. Return by Public demand of RSC in Tom Stoppard's award-winning TRAVESTIES "SHOULD ON NO ACCOUNT WHATEVER BE MISSED" Obs. (Evgs. 7.30. Mat. today 2.30) Ends July 12. Recorded booking info. 836 5332.

AMBASSADORS. 836 1171. Mon.-Thurs. 8.15. Fri. 6, 8.15. Sats. 6.30, 8.45. Geoffrey SUMNER, Jane DOWNS, Terence ALEXANDER, Joyce HERON, Bill KERR, Marguerite HARDIMAN, Helen GILL, Ray COONEY in London's Hit Comedy THERE GOES THE BRIDE Seats £2.50, £2, £1, OR All-inclusive Top-price Theatre Ticket plus Dinner at a delightful nearby restaurant £5.60 per head.

AMBASSADORS. Also Late Night Revue at 11.15 p.m. to 12.15 (All seats £1). HINGE & BRACKET SIXTY GLORIOUS MINUTES

APOLLO. 437 2663. Evenings 8.00. Mats. Thurs. 3.0. Sats. 5.00 and 8.30. Margaret LEIGHTON Alec GUINNESS in A FAMILY AND A FORTUNE

ARTS THEATRE CLUB. 836 3334. Great Newport St. (adj. Leic. Sq. Underground). Instant Temp. Membership avail. 15p. Evs Tuesday to Sunday at 8.00. KENNEDY'S CHILDREN "The play is fantastic"—Observer.

CAMBRIDGE THEATRE. 836 3056 Michael DENISON, Derek GRIFFITHS, Val PRINGLE, Norman BEATON in THE BLACK MIKADO "THE BEST MUSICAL OF 1975 AND PROBABLY 1976 AND 1977 AS WELL" S. Times. Ev. 8. Wed., Sat. 5.0, 8.15.

CHICHESTER. 0243 86333. Tonight & July 1, 2 at 7.0 AN ENEMY OF THE PEOPLE. "Tremendous undiluted, overwhelming uproarious fun." S. Times. "Worth travelling miles to see." D. Exp. Today at 2.0 June 30 at 7.0. CYRANO DE BERGERAC "Jose Ferrers Carnival Production triumphs." D. Exp.

COMEDY. 930 2578. Evgs. 8.00. Sats. at 5.30 and 8.30. Matinees Thurs. 3.00. "The delectable HAYLEY MILLS." D.T. FRANCIS MATTHEWS. LEIGH DAWSON "Samuel Taylor's Joyous Comedy." E.N. A TOUCH OF SPRING "Effervescent direction by Alan Davis." F.T. "THE AUDIENCE were WEAK with LAUGHTER." F.T. "THIS FROLIC IS SUCH FUN." Ev. News.

CRITERION. 930 3216. Evgs. 8. Sats. 5.30 and 8.15. Mats. Thurs. at 3. GERALDINE McEWAN RODERICK COOK JAMIE ROSS "OH COWARD" "Coward has always had brilliant interpreters, but no one more brilliant than these." Sun. Times.

DRURY LANE. 836 8108. Evenings 7.30. Matinees Wed. and Sat. 2.30. MICHAEL CRAWFORD in BILLY A NEW MUSICAL "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS THEATRE. 836 8243. Evenings 8.00. Fri. Sat. 6.15. 9.00. ALIVE ON STAGE OH! CALCUTTA! OVER 1,500 PERFORMANCES. "BREATHTAKINGLY BEAUTIFUL." S.Tel. "THE NUDITY IS STUNNING." D. Tel.

DUKE OF YORK'S. 836 5122. Evgs. 8.00. Sats. 5.00 and 8.30. Mats. Th. 3.00. BERYL REID, MALCOLM McDOWELL RONALD FRASER ENTERTAINING MR. SLOANE From the JOE ORTON Festival. "Superlatively well cast." D. Tel. "A beautiful evening." Fin. Times.

FORTUNE. 836 2238. Evenings at 8.00. Sats. 5.30 and 8.30. Th. 2.45 red. prices. SLEUTH "THE BEST THRILLER EVER." N.Y. Times. 6th GREAT YEAR.

GARRICK. 836 4601. Evs. 8.00 SHARP. Sat. 5.00 and 8.30. Red. price Wed. 3.00 ROBERT STEPHENS in MURDERER by ANTHONY SHAFFER "BRILLIANT AND EXCITING."

GLOBE THEATRE. 437 1592 BEST PLAY OF THE YEAR Evening Standard Drama Award RONALD PICKUP in THE NORMAN CONQUESTS by ALAN AYCKBOURN R'ND & R'ND THE GARDEN. Today 5.30 Tu. Th. 8.15. TABLE MANNERS Tnt. 8.30 Wed. 3.0., Fri. 8.15. LIVING TOGETHER Mon. Wed. 8.15.

GREENWICH. 858 7755. 8.0 A JOURNEY TO LONDON. Greenwich Festival Gala Perf. Mon.-Sat July 5 at 8.0 THE KNIGHT OF THE BURNING PESTLE.

HAYMARKET. 930 9832. Evgs. 7.45. Mat. Wed. 2.30. Sat. 4.30 and 8.00. JOHN CLEMENTS in Ronald Millar-C. P. Snow's THE CASE IN QUESTION "An excellent evening's entertainment. An enthralling story." Harold Hobson. Sunday Times.

HER MAJESTY'S. 930 6606 Evgs. 8.00. Fri. and Sat. 6.00 and 8.40. HAIR

KING'S ROAD THEATRE 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30. 9.30. THE ROCKY HORROR SHOW BEST MUSICAL OF THE YEAR Evening Standard Drama Award '73.

LYRIC. 437 3686. Evenings 8.00. Fri. 8.30. Thurs. Sat. 5.00 and 8.30. JOHN, PAUL, GEORGE, RINGO . . . AND BERT Evening Standard Award—BEST MUSICAL OF THE YEAR Plays and Players Award—BEST MUSICAL OF THE YEAR

MAY FAIR. 629 3036. Fully air cond. Evenings 8.15. Sat. 5.30 and 8.40. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER "Michael Frayn's comedy is a delightful experience" Evening Standard.

MERMAID. 248 7656. Food 248 2835. Evenings 8.15. Sat. 5.0 and 8.15. Mat. Thur. 2.30, reduced prices. THE MERRY WIVES OF WINDSOR by Shakespeare Seats £2.50, £1.75, £1.25, 75p. or FULL DINNER WINE AND BEST THEATRE SEAT FOR £4.95.

NEW LONDON. Drury Lane. 405 0072. Mon.-Thur. 8.0 Fri. Sat. 5.30, 8.30. THURBER "Hilarious." E. Standard selected and played by William Windom. "An oasis of laughter." D. Mail. "I laughed more than at half a dozen tinny little West End comedies." Guardian. Reduced Prices for 5.30 perf. Fri. Sat. STUDENTS and O.A.P. (All Perfs.).

OLD VIC. THE NATIONAL THEATRE. (928 7616) Today 2.15 & 7.30. Last performances of Harold Pinter's NO MAN'S LAND Mon., Wed. & Fri. 7.30. Thurs. 2.15. HEARTBREAK HOUSE Tuesday 7.30 & Thursday 8.00 HAPPY DAYS Some seats held for sale day of performance from 10 a.m.

OPEN AIR. Regent's Park. 01-486 2431. New Auditorium opening delayed. THE TAMING OF THE SHREW play Round House until July 5. A MIDSUMMER NIGHT'S DREAM opens here July 16.

OPEN SPACE. 580 4970. Temp. m'ship. Ntly. 8.0 (except Mon.). MEASURE FOR MEASURE Shakespeare-Marowitz. LAST THREE WEEKS LUNCHTIME 1.10 PRISONER AND ESCORT by Charles Wood 10.15 p.m.: July 3, 4, 5 Folk Singing MEIRA and The Left Hand Band.

PALACE. 437 6834. Mon.-Thurs. 8.00. Fri and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 437 7373. Evenings 7.30. Mats Wed., Sat. 2.45. TOMMY STEELE IN LONDON'S MOST BEUTIFUL MUSICAL HANS ANDERSEN "SUMPTUOUS SPECTACLE, SPLENDID SONGS. IT'S WONDERFUL." Dly. Exp. SEATS AVAIL. THEATRE AND AGENTS.

PHOENIX THEATRE. 01-836 8611. Evenings 7.45. Sat. 5.45 and 8.45. GODSPELL "IS MAGNIFICENT." Sunday Times. LATE NIGHT PERF. Friday 10.45.

PICCADILLY. 437 4506. Evgs. at 8. Sats. 5.30 and 8.30. Matinees Wed. at 3. JIMMY JEWEL, ALFRED MARKS in NEIL SIMON'S THE SUNSHINE BOYS "Audience rocking in their chairs"—D Express. "A laugh a minute" D. Tel. "Continued laughter." E. Std.

POLESDEN LACY Open Air. Great Bookham, Surrey. TOBIAS AND THE ANGEL, Bridie 2, 3, 4 July. 7.30 p.m. Sat. 5 July 3 and 7.30 p.m. KING LEAR Shakespeare. 9, 10, 11 July. 7.30 p.m. Sat 12 July 3 and 10 p.m. Box Office: Bookham 52241. 10 a.m.-7 p.m. (Sat. 1 p.m.).

PRINCE OF WALES. 930 8681. Evenings 8.00. Mats. Wed., Sat. 3.00. JAMES STEWART in HARVEY "Heartwarming Triumph." Ev. News. LIMITED SEASON ONLY.

QUEEN'S. 01-734 1166. Evenings 8.0. Mat. Thurs. 3.00. Sat. 5.30 and 8.30. VINCENT PRICE CORAL BROWNE CHARLES GRAY in ARDELE "A superb revival of Jean Anouilh's Comedy." E. News. "A handsome and finely cast production." Dly. Tel.

RAYMOND REVUEBAR THEATRE. 734 1593. At 7 p.m., 9 p.m., 11 p.m. PAUL RAYMOND presents THE FESTIVAL OF EROTICA '75

REGENT. 323 2707. Evenings 8.30. Fri. and Sat. at 7.00 and 9.15. 11th MONTH OF SENSATIONAL STAGE SHOW OF THE 70s LET MY PEOPLE COME—AN ADULT MUSICAL "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUND HOUSE. 267 2564. Evgs. Mon.-Fri. at 8. Sats. 5 & 8.30. Mats. Wed. and Thurs. at 2.30 Until July 5 Jeremy Irons Zoe Wanamaker "Both excellently attuned performances." Sun. Telegraph in THE TAMING OF THE SHREW "SPRITED EVENING OF MASQUERADING COMEDY." Daily Tel. No performances to-morrow.

ROYAL COURT. 730 1745. Air cond. JOE ORTON FESTIVAL Evgs. 8. Sats. 5 and 8.30. Last 2 weeks. JILL BENNETT, PHILIP STONE LOOT Directed by Albert Finney

SAVOY. 01-836 8888. Evenings 8.00. Sat. 5.00 and 8.15. "ALASTAIR SIM at his best." D. Tel. RON MOODY DANDY NICHOLS THE CLANDESTINE MARRIAGE Directed by IAN McKELLEN Last 2 weeks—must end July 5.

SHAFTESBURY. 836 4596. Mon.-Fri. 8.00 Mat. Friday 5.00 (Reduced 75p-£1.50) Sat. 5.30 and 8.30 WEST SIDE STORY "Bursting to life with undiminished theatrical excitement." S. Tel. "A definite winner. I strongly recommend it." F.T. "Miracle." Guardian. "Brilliant." S. Tel.

SHAW. 388 1394. Last 2 weeks Evgs 7.30. Mat. Tu., Fri. 3.0. SUSAN HAMPSHIRE in AS YOU LIKE IT

ST MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. 2.45. Sats. 500 and 800. Agatha Christie's THE MOUSETRAP World's longest-ever run. 23rd YEAR.

STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. DORIS HARE, LEO FRANKLYN RICHARD CALDICOT, ANDREW SACHS NO SEX PLEASE, WE'RE BRITISH Directed by Allan Davis. LONDON'S LONGEST LAUGHTER HIT.

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining and Dancing. At 9.30 New Revue SWEET TEMPTATION and at 11 p.m. CLIFF RICHARD

VAUDEVILLE. 836 9988. Fully air cond. Ev 8.00 Mat. Tu. 3.0. Sat. 5.30, 8.40 MILLICENT MARTIN AMANDA BARRIE in ALAN AYCKBOURN'S ABSURD PERSON SINGULAR Best Comedy of Year E. Std. Award '73.

VICTORIA PALACE. 834 1317 (No perfs. Monday.) Tues., Fri. 8.00. Wed., Thurs., Sat. 6.00 and 8.45. MAX BYGRAVES in SWINGALONGAMAX New Song and Laughter Spectacular, with Rogers and Starr, Bobby Crush, Denise Keene and Happy and Full Co.

WHITEHALL. 930 6692/7765. Evgs. 8.30. Wed. and Sat. 6.15 and 8.45. PAUL RAYMOND presents THE CONFESSIONS OF A SEX STAR SNATCH 69 FANTASTIC HILARIOUS EROTIC ENTERTAINMENT

WIMBLEDON 01-946 5211. ACTORS COMPANY SEASON Mon.-Fri. 7.30. Sats. 5 & 8.15. TARTUFFE

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID featuring JOHN INMAN "ARE YOU BEING SERVED" Twice nightly at 7.00 and 9.00.

WYNDHAM'S. 836 3028. Evenings at 8. Sat. 5.0 and 8.30. Mats. Wed. 3.00. "PAUL SCOFIELD as Prospero SHOULD NOT BE MISSED ON ANY ACCOUNT." B. A. YOUNG—Financial Times. THE TEMPEST Last 3 weeks. Must close July 12.

YOUNG VIC (by Old Vic). 928 6363. Today 5 and 8.15 ASHES.

CINEMAS

ABC 1 & 2 Shaftesbury Ave. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1: THE GODFATHER PART II (X) Wk. & Sun. 2.45. 8.00. 2: MURDER ON THE ORIENT EXPRESS (A). Wk. & Sun. 2.30. 5.30. 8.30.

CASINO. 437 6877. EARTHQUAKE (A). You'll FEEL it as well as see it in SENSURROUND. Sep. Perfs. at 2.30. 5.30. 8.30. Late Show Sat. 11.30 p.m.

CURZON. Curzon Street. W.1. 499 3737. ALICE DOESN'T LIVE HERE ANYMORE (AA). Progs. at 1.55 (not Sun.) 4.00. 6.15. 8.30. Late Show Sat. 11 p.m.

EMPIRE. Leicester Square THE DAY OF THE LOCUST (X). Progs. Daily 2.00. 5.10. 8.15. Late show Fri. and Sat. 11.30 p.m. Sep. Perfs. All seats bookable. No phone bookings.

LEICESTER SQUARE THEATRE. 930 5252. See! Hear! Feel! TOMMY (AA). The film event of the Year. Sep. perfs. 1.20. 4.30. 8.00. Sun. 4.30. 8.00. Late show Fri. and Sat. 11.15. All seats bookable.

ODEON HAYMARKET. (930 2738/2771.) SHAMPOO (X). Sep. perfs. Wk. and Sun. 1.15. 4.45. 8.15. Shampoo at 1.55. 5.30. 8.55. Late show Fri. and Sat. 11.45. All seats bookable.

ODEON MARBLE ARCH. (723 2011/2.) Streisand & Caan FUNNY LADY (A). Sep. perfs. Wk. 2.45. 8.00. Sun. 4.00. 8.00 Late sh. Sat. 11.45. All seats bkble.

ODEON LEICESTER SQUARE. (930 6111). BRANNIGAN (A). Cont. Progs. Wk. 1.10. 3.05. 5.35. 8.10. Sun. 3.05. 5.35. 8.10. Late Show Fri. and Sat. 11.15.

ODEON St. Martins Lane (836 0691/1811) (Fully air cond.). Lelouch's AND NOW MY LOVE (X). Sep. perfs. Wk. 1.00. 4.30. 8.00. Sun. 430. 8.00. Late show Sat. 11.30. All seats bookable.

PLAZA. 1, Lower Regent Street. All seats bookable THE GODFATHER PART II (X) Daily including Sundays Progs. 7.45. 7.30. Late show Fri. and Sat. 11.45.

PRINCE CHARLES. Leic. Sq. 437 8181. 9th Sensational Month!! EMMANUELLE (X) Sep. Perfs. Daily (inc. Sun.) 2.45. 6.15. 9.00. Late Show 11.45 Fri. & Sat. Seats Bookable. Licensed Bar.

SCENE 2. Leic Sq. (Wardour St.). 439 4470. Cont. Perfs. Dly. from 12.30. Late Show Fri. & Sat. 12.05. YOUNG FRANKENSTEIN (AA). Progs. 12.30. 2.45. 5.05. 7.25. 9.45. Late Show Fri. & Sat. 12.05.

SCENE 3. Leic. Sq. (Wardour St.) 439 4470. THE TOWERING INFERNO (A). Sep. Perfs. Daily 2.00. 5.20. 8.40. Late Show Fri. & Sat. 11.45. Seats Bookable—All perfs.

SCENE 4. Leic. Sq. (Wardour St.) 439 4470. 2nd Year. The Film Everybody's Talking About: THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.30. 3.00. 6.15. 9.00. Late Show Fri. & Sat. 11.30. Box Office Open Daily 10-8. Sun. 12-8. Seats Bkble—All Perfs.

WARNER WEST END. Leicester Square. Tel. 439 0791. 1. Ellen Burstyn, Kris Kristofferson ALICE DOESN'T LIVE HERE ANYMORE (AA). Cont. Progs. Wk. 1.20. 3.35. 5.50. 8.10. Sun. 3.20. 5.40. 8.10. Late show Fri. & Sat. 11.00. 2. Robert Mitchum THE YAKUZA (AA). Cont. Progs. Wk. 1.30. 3.45. 6.00. 8.20. Sun. 3.30. 5.50. 8.20. Late Show Fri. & Sat. 11.00. 3. Steve McQueen Paul Newman. THE TOWERING INFERNO (A). Sep. Perfs. 1.25. 4.40. 7.55. Late Show Fri. & Sat. 11.05. All seats bookable.

10,000 cut in whaling quota

How to spend it by Lucia van der Post

For the compleat traveller

ANYBODY who lives close to somebody who travels a lot, or who travels a lot himself, will already know that there are no perfect ways of travelling. If you take everything with you you end up looking like a pack-horse and stand to do irreversible damage to your spine. If you try to be organised and limit your needs you nearly always find there's something vital you've forgotten.

John Prizeman, architect and designer, found that so many of his friends travelled a great deal and were obsessed by their failure to find a suitable method of dealing with all the clobber that he decided to see if he could design something that met their needs. Now it has to be said straightaway that none of these people seems to be poor so the limit on the exercise wasn't money.

First, he questioned all his travelling friends closely and from them he compiled a list of what most of them seemed to take on their travels. He then designed this canvas or carpet bag to hold them all, to be, in other words, a complete kit for travelling businessmen.

The case itself fits the airline regulations for hand-luggage (so no need to wait drearily in the luggage queues), being 350 mm by 400 mm by 250 mm. It can be carried by hand or on a shoulder strap which has a non-slip pad. The idea is that it should be kept ready-packed at all times so that the well-organised businessman just picks it up on his way to the plane.

There are two basic units to the bag: the outer bag which is made of black waterproof duck and a leather briefcase which fits neatly into the gap between the two duck pockets.

The outerbag has three compartments and this is what they are all designed to hold:

Compartment A:

3 shirts (one drip dry), 3 pair pants, 3 pair socks, swim trunks, pullover, 2 handkerchiefs, cotton slippers, nightshirt/dressing gown, 2 ties.

Compartment B:

Toothbrush, toothpaste, deodorant, comb, Swiss multi-pen-knife, shampoo, aftershave, aspirin, mending kit, sickness pills, toothpick, clothes brush, shoe cleaner, calamine tube, flask, ear plugs.

In the bottom of Compartment B is a neatly-fitting long black canvas zipped bag designed to hold the toilet accessories. In the gap between the two outer compartments, fits the briefcase. This is designed as a travelling office, so that on arrival our travelling man just lifts out the briefcase centre to set off for his first meeting.

Real leather

The briefcase is beautifully made by Algernon Asprey in their own workshops over the shop at 27, Bruton Street, London, W1. It is made of real black leather with inner linings and removable inner tray in red leather. It was designed in black but may be ordered in other colours.

The removable tray has many compartments which can hold a camera (Leica CL), a cine camera (Agfa Microflex), Kodak films, Sinclair calculator, Sony recorder, Ronson battery razor, Rollie flash attachments, cassettes, house keys.

There is also space for a Leafax address book with credit cards, money, pencils, driving licences, foreign change, traveller's cheques in various currencies, jetons for telephone, vaccination certificates, visiting cards, writing paper, maps, plastic bag, paperback, paper clips, carbon paper, stamps, diary, phrase book, cards, glasses and spare glasses.

The other outerpocket of the canvas bag holds the bigger items like a spare suit, shirt, handkerchiefs and shoes.

Each of the outer compartments has a flap top for easy access in transit and also a zip flap below so that the compartment can be more fully opened when packing or unpacking. There are also two outer pockets to hold passport, tickets and boarding card when actually in transit and these pockets are protected by a flap.

The outer canvas bag and briefcase cost £195 (this may seem very high but I do assure you that it is exquisitely made and briefcases alone can cost a great deal nowadays). If anybody wanted to buy it complete with all the trays, audio and camera equipment it would cost £578.95.

It can be ordered directly from Algernon Asprey (orders take about three weeks) or from Malcolm Kafetz of Kafetz Camera, 234 Baker Street, London, N.W.1, who provided much of the specialised advice on what audio and camera equipment would be most useful to a businessman.

The Sinclair Cambridge calculater is neat and small and does all the normal mathematical calculations for the average businessman. It is small enough to be slipped into a pocket and costs £11.99.

The Agfa Microflex 300 Super 8 Cine camera is very compact with a zoom lens taking Super 8 cassettes. It is also small enough to go into a pocket if necessary. (Recommended price £169.82.)

The Rollei 35s camera is a very compact 35 mm. camera capable of taking very good pictures and has its own built-in exposure meter (£96.18).

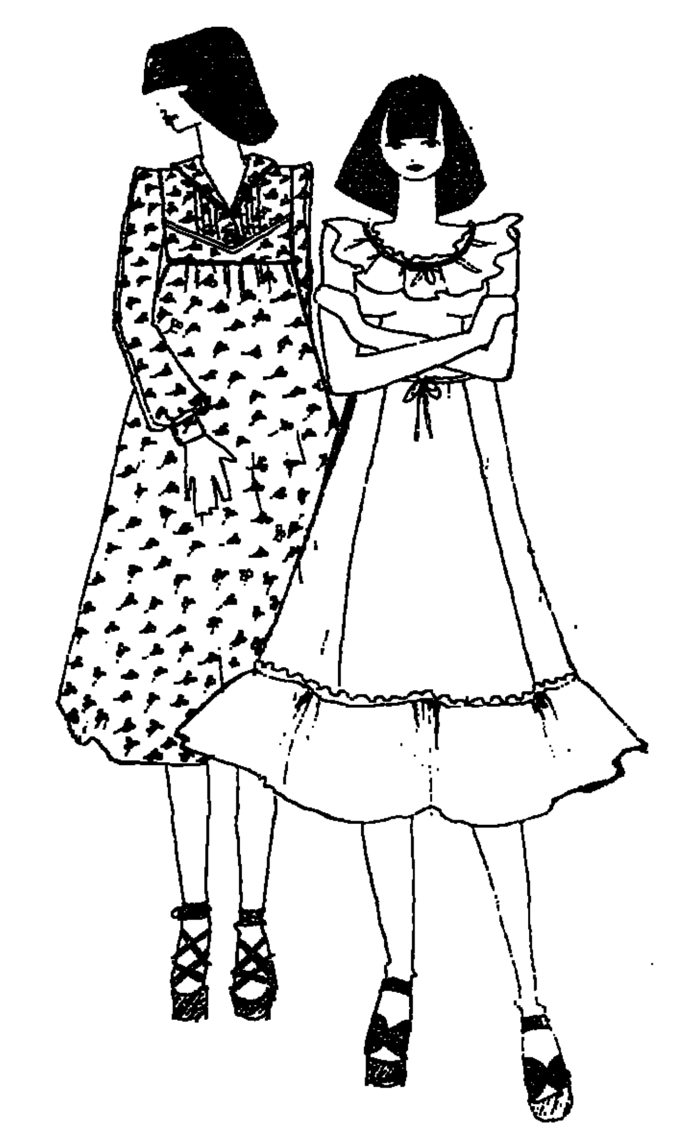
The Sony TC55 cassette recorder has good sound reproduction and can be used to listen to music during moments of boredom hanging round hotel rooms as well as recording notes and letters. It takes the special standard-sized BASF c120 tape which will record up to two hours. (£80.90).

The 7-star Mini Diary number SAM 3 LE from Success England, 22 Crawford Street, London, W.1, is one of the most useful diaries I know. It is small, compact and operates on a loose-leaf system into which you can slot any of a wide variety of condensed information. The case acts as a small wallet and it contains a day per page system, has alphabetical telephone numbers and lots of other useful information.

The whole bag is so desirable I could almost do with one myself but before any high-powered travelling women executives be tempted like me I must warn them that the whole case when filled with clothes and equipment is not light and the look is distinctly on the masculine side. I see it's ideal owner as a combination of film star and merchant banker. I hope there are enough of them left, because the bag is so beautifully thought-out, so well-designed that it deserves to be supported.

Freddie Mansfield

Above, the briefcase on its own showing the tray with its various compartments and the contents it can hold. Next to the briefcase is the black canvas holder (into the centre of which the briefcase fits) and the oblong black canvas zipped bag for holding toilet accessories as well as other essentials. The clothes in the picture are by St. Laurent and are designed to be fully interchangeable so that the jackets and trousers, shirts and ties can be worn in any combination. Right: the complete kit.



EVERYBODY by now must know of Laura Ashley. Her gentle rustic florals have been swishing down our streets for several years and now that she has opened shops in six provincial towns and is continually planning new ones she has become accessible to many more people.

Her look is a definite look which either suits you or it doesn't but for those whom it does suit there have been problems if you were either very small or very large. Now, however they have extended their sizes at both ends so that both sizes eight and sizes 14 and 16 can be fitted. Speaking personally I much look forward to trying out the new size 8 as their cutting is usually so generous that I have found even the size 10 swamps me (and I hasten to add I'm very far from wraith-like).

Here are two of this summer's cotton dresses available in the size 8. Both come in floral prints of soft green, blue, lavender and the other Laura Ashley prints, as well as some plain colours and navy/denim multi-prints. The dress on the left is £8.50, on the right £8. Both are at all Laura Ashley shops except 40 Sloane Street, which is now given over only to furnishing fabrics.

Exhibition pieces

I ALWAYS feel it is a great pity that the International Decor Show is restricted to architects, designers and other trade visitors, presumably on the grounds that its level of taste or brow is too high for the great British public.

However, for those who weren't allowed in here are some of the best things on show.

● Near right is the latest scintillating design for the bathroom from the Italian firm of Teuco. Teuco has already produced a very famous Perspex shower room and a range of exceedingly attractive basins, lavatories and bidets.

The use of the Perspex material is highly practical as well as lending itself to the lovely colours (like fire-engine red, buttercup yellow, cornflower blue, moss green, beige, white and black). The material doesn't chip, flake or rust or corrode. It's easy to clean (though it should never be cleaned with abrasives) and its nature lends itself to the vacuum thermo-forming process which gives the lovely curving shapes.

Within its sphere (which is 6 feet 8 inches at its widest point, 6 feet 3 inches high) it contains everything the normal bathroom has. There is a shower with hand and overhead shower with mixer. The bathtub has a shower on a wandering lead as well as the normal mixer tap. At the back of the shower unit, the hot water pipes form a heated towel rail. There is a concave sliding panel to cover this and the shelving-unit which can be used for holding cosmetics.

The tub itself has a non-slip bottom and the seating-area is moulded as part of the tub. A large sliding panel forms a door to cover the entrance.

All the plumbing is built in so it needs only to be connected to the hot and cold water and drainage.

If you are interested in the bathroom, it is part of the Aquarius range by Teuco, which is imported by Victor Mann of Unit 3, Mitcham Industrial Estate, Streatham Road, Mitcham, Surrey, who will be able to send out leaflets with further details to readers. The price of this particular bathroom will be about £1,350.

● The next thing that interested me that I came upon at the exhibition was a system of free-standing storage which could be used to turn any of the very inexpensive systems of folding doors into a fully-fledged cupboard.

The system has to be assembled on the spot, but the manufacturers claim that all you need is a hammer to tap the connector pieces into the tube ends.

The framework for the Elfa Basket-drawer system is manufactured in four different widths—25 cm. 35 cm. 45cm and 55 cm and though I think they would be most useful as interior cupboard fitments, they could obviously also be used on their own to provide storage in a cellar, laundry storeroom, garage or whatever.

There is a wide range of basket depths, 8.5 cm. 18.5 cm, 28.5 cm, 38.5cm, so that the baskets can store a large variety of objects—handkerchiefs, socks, ties and thick, bulky clothes like sweaters.

All the basket-drawers are coated with epoxy plastic and have an anti-static finish. To give an idea of price, baskets range from £1.05 to £3.60 while the frames are from £5.68 to £17.30.

Clearly a system as versatile as this one needs more explanation than I can give on this page so I suggest anybody interested write to: Elfa System, P.O. Box 41, Canterbury, Kent, for one of their explanatory leaflets.

Stockists include Selfridges of Oxford Street, London, W1, Lewis's of Birmingham or Elfa will supply direct.

● I first mentioned By Design two years ago when I was struck by the simplicity of shape and the audacity of the colours of the plant-holders made and sold by By Design of 16, London Road, Guildford, Surrey.

This year they still have the old designs that so captured my interest (write to them for beautifully coloured and illustrated leaflets) but they have also produced a new planter which is sufficiently different and useful to warrant my mentioning them again.

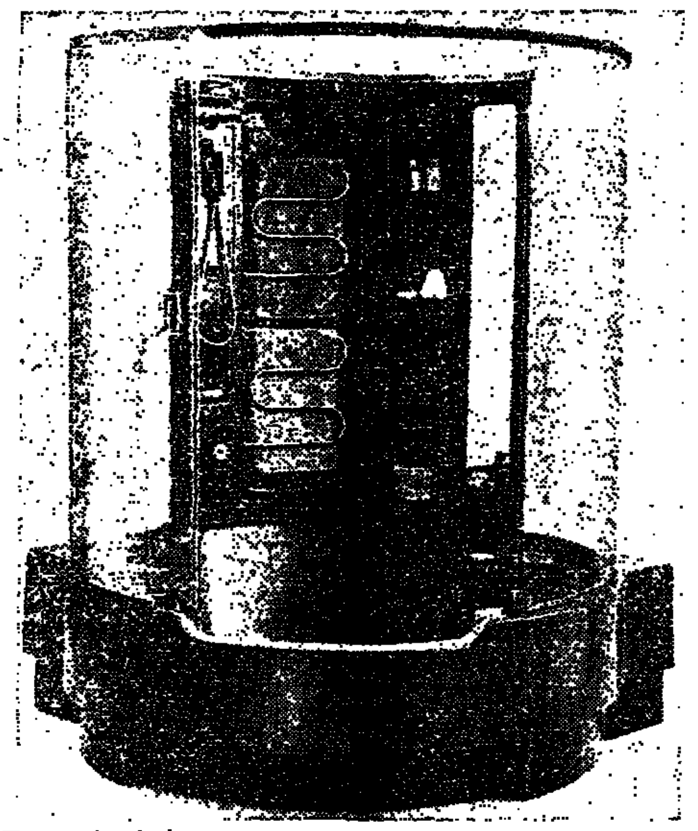
The new planters are both very shallow, the idea being that they would be ideal containers for more formal cacti and Japanese-type plant arrangements.

There is a square shallow tray (as in the photograph) which is 1,000 mm (or 1 metre) square and 75 mm deep. Each tray is £22.50 (incl. of VAT).

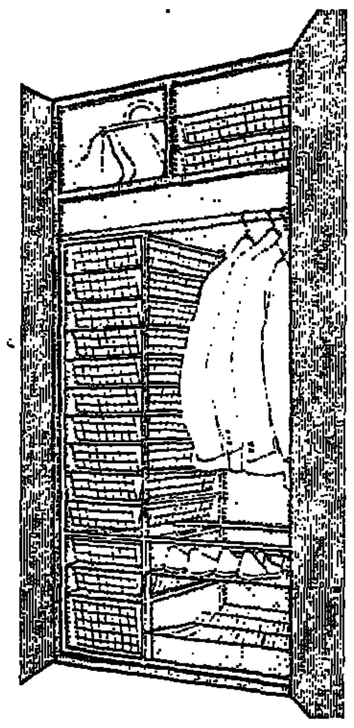
There is also a tray formed from three hexagon shapes joined together for £27.50.

All the containers are made of glass fibre reinforced resin, are virtually indestructible and are impervious to weather. They come in 86 British standard colours, including white.

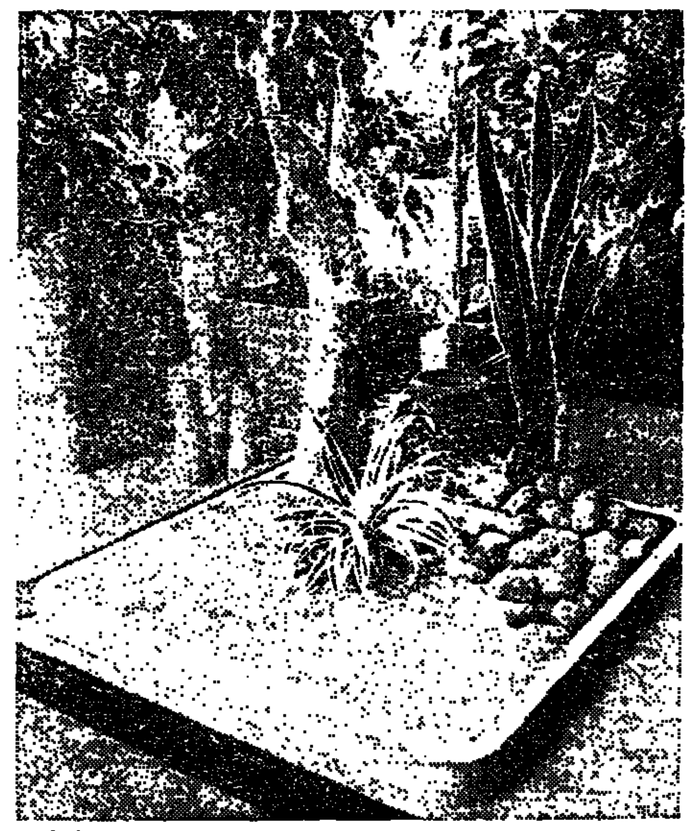
By Design will send them anywhere in the U.K. free but a small charge is made for N. Ireland and abroad.



The complete bathroom



Elfa shelving system



Cacti planter

Mrs. Beeton à la mode

IT'S SOME sort of commentary on our times, if not the most profound, that whereas Mrs. Beeton's Art of Household Management was primarily concerned with advising her readers on the art of keeping house as perfectly as possible, Shirley Conran's modern version, rather dauntingly entitled Superwoman, is more concerned with telling us what we can get away with not doing.

If, like me, you've always been remarkably adept at knowing for yourself what you can get away with not doing (and even not doing what you can't get away with not doing, if you see what I mean) you may find yourself not so much in need of this book as others with much more worthy souls.

Certainly, there is a genre of woman who seems to feel that dust on the floor is more sinful than a lifetime of bad temper, that running out of bread is worse than finding no time to play with their children—all of them should be made to read Superwoman. It is, if nothing else, an amazingly good read and full of the sort of bon mots that will bear one up in one's more slatternly moments.

Phrases like: "I make no secret of the fact that I would rather lie on a sofa than sweep beneath it. You have to be efficient if you're going to be lazy." And, "Life is too short to stuff a mushroom." Just the phrases to arm the disorganised and the lazy.

If you are susceptible to advice there's lots of it and most of it good and written in the sort of way that makes it easy to take. If there is a flaw, it is that most of the people I know who most need to read the book are just the sort of people who are either so organised that they could teach Ms. Conran a thing or two or else so far gone that no list or plan, however simply laid out, is simple enough for them.

If, however, you've reached the point where it all seems hopeless but you do feel somehow you'd like to do better—then Superwoman might be the book for you. If you've £3.95 it will at least give you a good two hours away from the housework upon the sofa you'd rather not sweep beneath, contemplating the better future ahead.

Nixon breaks his Watergate silence

BY PAUL LEWIS, U.S. EDITOR — WASHINGTON, June 27.

FORMER PRESIDENT Richard Nixon has finally broken the long silence he has maintained about the Watergate affair since it forced him out of office nearly a year ago — giving sworn testimony about the scandal to members of a Grand Jury earlier this week.

To-day Judge George Hart, the chief U.S. district judge in Washington, disclosed that Mr. Nixon had answered questions last Monday and Tuesday in California put by members of the Watergate special prosecution staff in the presence of two members of the Grand Jury that is still investigating aspects of the scandal.

Although his evidence was taken under oath, Mr. Nixon's appearance was described as voluntary and no subpoena was issued against him. One of his lawyers, Mr. Edward Miller, said the former President wished to co-operate with the Watergate investigators, who had wanted to question him. The examination lasted a total of 11 hours and covered "a wide variety of subjects."

Mr. Nixon decided to give his evidence at a coastguard station near his home in California in view of his still precarious health and the difficulties of travelling to Washington where the Grand Jury is in session. In past months, however, Mr. Nixon's health has prevented his giving testimony under any circumstances in other Watergate-related cases, including the trial of his three closest aides, Mr John Mitchell, Mr. John Ehrlichman and Mr. H. R. Haldeman, who are now appealing against their conviction on charges of obstructing justice.

While the precise matters raised with Mr. Nixon this week remain confidential, it is believed that the Watergate prosecution staff are still investigating a number of loose ends in the scandal—and in particular, the mysterious 18.5-minute gap on one of the White House tapes, the $100,000 cash gift which Mr. Howard Hughes, the millionaire, gave to Mr. "Bebe" Rebozo, a close friend of the former President, and illegal contributions to Mr. Nixon's campaign chest.

The former President was also cited as an "unindicted co-conspirator" by the grand jury.

French stress Nato link

BY ROBERT MAUTHNER — PARIS, June 27.

FRENCH FOREIGN Minister Jean Sauvagnargues to-day went out of his way to stress France's desire to remain on good terms with the U.S., in spite of continuing disagreements over a number of important problems such as international monetary reform and relations with the developing world.

In a long statement to the National Assembly reviewing French foreign policy, M. Sauvagnargues also emphasised more strongly than has been done by any member of the French Government for a long time, France's attachment to the Atlantic Alliance.

While underlining France's traditional policy of independence, not least in the field of defence, M. Sauvagnargues said that the country's security also demanded "total participation" in the Atlantic Alliance and solidarity with the U.S.

"The Government cannot imagine any kind of situation in which France, Europe and the U.S., heirs of the same culture and of the same civilisation and attached to the same values, could find themselves in radical opposition," M. Sauvagnargues said.

It therefore refused to see the problem of relations with the U.S. as a choice between Atlantic solidarity and the affirmation of a European identity. Europe needed a powerful America and the U.S. a strong and unified Europe.

Uganda arrests 'a mystery'

By Our Foreign Staff

URGENT INQUIRIES are being made by the British Acting High Commissioner in Kampala after a Uganda Radio report that more Britons had been arrested. The radio warned that these Britons could face similar charges to those made against Mr. Denis Hills, who is still due to face a firing squad for "treason."

But Mr. James Hennessy reported to London yesterday that he know nothing of these new arrests about which Uganda Radio gave no numbers or names. Mr. Stanley Smolen, the Brtish businessman accused of hoarding, was acquitted last week. All the radio said was that "for the information of the British Government, some British are already in custody awaiting military tribunal. They will possibly face the same tribunal as Denis Hills, because their cases are even worse than that of Hills."

The British community in Uganda is much depleted since early this year, but it is still 700 strong—mainly composed of missionairies, nurses, teachers and a few long-time businessmen. Some 350 are in the Kampala area.

UN-KOREA LINK WILL END

By Our Own Correspondent

UNITED NATIONS, June 27.

THE United States and South Korea have agreed on the termination of the United Nations Command, under which troops from 16 countries entered the Korean War 25 years ago this week, it was announced here to-day.

In a letter to the President of the UN Security Council, Mr. John Scali, the chief American delegate, said the command could be dissolved next January 1, "subject only to the prior agreement of the Korean People's Army and the Chinese People's Volunteers, as signatories to the armistice agreement, that the armistice agreement will continue

Commission reports on European union

BY ROBIN REEVES — BRUSSELS, June 27.

EUROPEAN Union should take the form of a European Government exercising the management functions of the Council of Ministers and the present powers of initiative of the European Commission. This Government must, in turn, be responsible to a two-chamber legislative European Parliament composed of a People's Chamber and a Chamber of the Member States, the latter eminating from the National Governments.

This is the European Commission's fairly predictable picture of European Union for submission to Mr. Leo Tindemans, the Belgian Prime Minister, charged by last December's summit of heads of Government in Paris with drawing up a report on the subject by the end of this year. He is due in Britain next week to gather the views of U.K. political parties and other relevant organisations on European Union.

The Commission suggests that this political structure could be supplemented, "for a limited transition period" by a "Committee of Ministers" from national Governments which would be allowed to intervene in the decision-making process of the European Government in its early days. It also sees a crucial role of the EEC Heads of Government in the move towards full union.

However, the report avoids setting a timetable. It stresses that it will be a gradual process extending over a very long period. Furthermore, it feels that such a constitution for European Union would have to be ratified by the Parliaments of all the member States. Discussing the powers which should be exercised at a European level, the only issue on which the Commission sticks out its neck is on defence.

Otherwise, it re-affirms economic and monetary union as an essential ingredient of European Union. The European Monetary Co-operation Fund, it believes, could be developed into the Community's future monetary authority under the political control of the EEC institutions.

Sindona queries for Carli

BY ANTHONY ROBINSON — ROME, June 27.

GOVERNOR of the Bank of Italy, Guido Carli, and three top executives of the State-controlled Banco di Roma, including managing director Ferdinando Ventriglia and his deputy Mario Barone, have been served notice that legal proceedings have been brought against them in connection with the enforced liquidation last year of Banca Privata Italiana.

The legal notification is another example of the way in which the collapse of the financial empire of Sig. Michele Sindona continues to send out delayed shockwaves through the Italian financial establishment.

Sig. Carli is brought into the question principally because of the Bank of Italy's approval of the merger of two Sindona controlled banks, the Banca Unione and Banca Privata Finanziaria, into the Banca Privata Italiana shortly before the collapse of Sig. Sindona's empire.

The Banca di Roma is involved because Sig. Giovanni Fignon, the man chosen by the bank to take over Banca Privata under the terms of the rescue operation mounted by the Banco di Roma at the request of the Bank of Italy, allegedly gave verbal assurances about the position of shareholders in the Banca Privata which subsequently proved inaccurate.

Shareholders claim that they were led to believe that their holdings would be protected.

The legal notices are simply an advanced warning to the people concerned that they will have to give their version of the events to the investigating magistrate.

Sharp fall in Renault profits

By Robert Mauthner

PARIS, June 27.

RENAULT, THE state-owned French motor manufacturer, announced a sharp drop in parent company profits for 1974 in spite of higher output, exports and turnover.

Net profits last year amounted to only Frs.36m. (about £4m.) compared with Frs.57m. in 1973, net parent company turnover totalled Frs.16bn. (Frs.13.9bn. in 1973) and group turnover went up to Frs.25.7bn. from Frs.20.6bn the previous year.

Total vehicle output for 1974 rose marginally to 1,487,523 units from 1,414,563 in 1973 and exports went up to 844,376 vehicles from 809,255 the previous year.

During the current year, however, when the company has been affected not only by slack demand but by a damaging ten-week strike—the longest in its history—output has, not surprisingly, suffered badly. In the first five month of the year no more than 540,550 vehicles were produced, compared with 694,696 during the same period last year.

Predictably, exports were also down—from 353,337 in the first five months of 1974 to 323,579 in the same period this year—but Renault still did comparatively well in the domestic market. In spite of a 19 per cent. overall reduction in the size of the French motor vehicle market, Renault still accounted for about 33 per cent. of registrations as against 36.2 last year.

As announced in April, following the end of the strike, planned investments have been cut by 40 per cent. this year—from previous levels of about Frs.1bn. to about Frs.600m.

PORTUGUESE VISIT

By Our Foreign Staff

MAJOR MELO ANTUNES, the Portuguese Foreign Minister, arrived in London yesterday for one day's talks with Mr. Wilson and Mr. Callaghan. Apart from improving personal contact with the new Portuguese regime, the Prime Minister and Foreign Secretary expressed their concern over the direction that the Portuguese revolution was taking.

Brazil nuclear treaty signed in Bonn

BY NICHOLAS COLCHESTER — BONN, June 27.

IN SEPARATE ceremonies in its Foreign and Technology Ministries West Germany to-day signed what amounts to the biggest international business deal in its history—an agreement to supply Brazil with a complete nuclear industry ranging all the way from uranium prospecting to the use of nuclear power to generate electricity. The agreement will yield West Germany at least DM10bn. (£1.9bn.) in export orders over the next 15 years and will secure between 10,000 and 15,000 jobs over that time.

The agreement signed by the Technology Ministry set out the guidelines under which individual German companies will arrange contracts with Brazil. Its first section deals with the prospecting for and the exploitation of uranium deposits in Brazil as well as the production of natural uranium concentrates and compounds. West Germany's co-operation here will win it access to Brazil's uranium in the future.

The next section deals with the enrichment of uranium. The Brazilian nuclear company, Nuclebras, will engage in a joint programme in West Germany with Steag of Essen to develop the latter's nozzle enrichment process. The two companies, together with Interatom of Germany, will build a demonstration plant in Brazil with a capacity of 180 T SWU per year that should start operation in 1981. This will be followed by a commercial plant later on.

Under the nuclear reactor section, the guidelines lay down the supply of heavy power plant equipment, the establishment of nuclear power station building companies in Brazil, and of companies to supply the nuclear fuel elements. Kraftwerk Union of Germany and its 350 German sub-contractors will thus play an important part in the supply of up to eight nuclear power stations to Brazil.

Further sections deal with the reprocessing of irradiated fuel elements and with financing.

The agreement between the Foreign Ministries provides the framework of assurance for the peaceful use of the nuclear technology that is being made available to Brazil. The whole deal has come under fire in the American Press and from certain sections of U.S. Congress as promising to spread the technology required to make nuclear weapons. The West Germans maintain that they have strictly observed the safeguards established in the Non-Proliferation Treaty in the agreements signed to-day and add that the U.S. Government itself has raised no objections.

Thousands strike in Argentina

BY ROBERT LINDLEY — BUENOS AIRES, June 27.

THE POWER STRUGGLE between the unions and the Government of President Maria Estela Martinez de Peron appeared to be reaching a climax to-day, with the possibility that the outcome will benefit neither side.

The impasse, which conceivably could lead to some kind of military intervention, has been pointed up by Labour Minister Ricardo Otero's announcement of his intention to resign because he knows that the Government intends to annul all the annual wage contracts, completed since the end of May, and simply decree what the wage rises will be.

The Government set a ceiling on the rises of 38 per cent, which some of the unions agreed to, then increased it to 45 per cent. But the contracts of many unions far exceed this limit, most notably that of the metal-workers whose new contract, including fringe benefits, gives them a rise of about 135 per cent.

In a reportedly tumultuous Cabinet meeting yesterday morning, the new Economy Minister Celestino Rodrigo insisted that that these exorbitant rises would completely nullify his economic plan, based primarily on the 50 per cent. devaluation and the huge increase in service rates decreed on June 4. This shock treatment is calculated to help remedy Argentina's serious economic woes, including a foreign debt of more than $9bn., more than $2.2bn. of which is supposed to be redeemed this year.

The rise in the cost of living touched off by the Rodrigo shock treatment—a rise calculated unofficially at more than 125 per cent.—coupled with the Government's determination to hold the wage increases now to 50 per cent., with further 15 per cent. increases in October and January, caused the General Confederation of Labour (CGT) to rebel last night. A CGT communique ordering union members to down tools in Buenos Aires for seven hours to-day and converge on Plaza de Mayo in front of Government House also called on Sra. Peron to ratify the wage contracts already signed.

This CGT move prompted an emergency cabinet meeting late last night at the Presidential villa—with the commanders of the three services, but not Labour Minister Otero, in attendance.

But about 50,000 workers have gathered in Plaza de Mayo in spite of the heavy rain this morning. The angry crowd, frequently shouting vulgar chants demanding Economy Minister Rodrigo's resignation—as well as that of his mentor, Social Welfare Minister Jose Lopez Rega, who has emerged as the strong man in the Government—also is insisting that Sra. Peron speak to them from Government House balcony. But the President remains in the Presidential villa.

● President Alfonso Lopez Michelsen has placed the whole of Colombia under a state of siege following increased left-wing guerilla activity, Reuter reports from Bogota. As the President made his announcement in a broadcast last night, six battalions of troops were being deployed in northern jungle regions to hunt down a guerilla column believed to be led by Fabio Vasquez Castano, leader of the "National Liberation Army" (ELN).

● The Honduran Army yesterday took over the headquarters of the general labour confederation (CGT), and arrested leaders of the National Peasants Union, following militant peasant pressure for land reform. Reuter reports from Tecugalpa.

Irish wages agreement

BY OUR OWN CORRESPONDENT — DUBLIN, June 27.

THE IRISH Congress of Trade Unions to-day agreed to modifications in the national wage agreement which was to have given almost 500,000 workers an average increase of about 30 per cent. over the next year.

The decision is in response to the Government's emergency budget which reduced the price of a wide range of essential goods and services through the introduction of subsidies. The Government had warned that unless the wage agreement was "adequately modified" they would consider revoking the subsidies.

The Executive Council of the ICTU is to recommend to a special conference next month that pay increases due under the third and fourth phases of the agreement should be related to changes in the cost of living index. Should the consumer price index rise by only 2 per cent., as is indicated, workers will get the same percentage pay increase instead of the 4 or 5 per cent. originally expected under the wage agreement.

But the adjustments are not considered adequate by the Federated Union of Employers. They suggested to-night an upper limit to pay increases in the two remaining phases of the national agreement.

'ILO will be bankrupt'

By Our Own Correspondent

THE INTERNATIONAL Labour Organisation (ILO) said to-day that it will be bankrupt before the end of the year unless the U.S. Congress reverses its decision to withhold $22,400,000 from American contributions.

"Both our normal and emergency funds will be used up and we will be unable to meet the payroll," an ILO spokesman stated.

America has in the past paid one quarter of the ILO budget. This has long angered both the AFL-CIO and leading members of Congress because Russia has paid far smaller amounts, and then always late.

Border moves in Jordan

BY L. DANIEL — TEL AVIV, June 27.

JORDAN HAS recently shifted some of her forces from the border with Syria to that with Israel and has started upon a series of fortifications and laying of minefields. But whether these measures are offensive or defensive remains to be seen. This was stated here to-day by the Israeli Chief of Staff, General Mordechai Gur, at a foreign Press association luncheon.

However, despite the recent rapprochment between Amman and Damascus, he did not think that Syria and Jordan had come so close—militarily or politically—as to constitute what might be described as a joint eastern front. Nevertheless, the possibility of such a front emerging in the future must be taken very seriously, the Chief of Staff warned.

Talking about the strategic Mitlah and Gidi Passes — currently in the centre of negotiations on a further interim settlement with Egypt in Sinai, General Gur pointed out that if the eastern half of the passes remained in Israeli hands this would not provide Israel with a springboard for an offensive against Egypt or the Canal area, since the western side would be held by Egypt.

HOME NEWS

Peart seeks aid for British egg producers

BY PETER BULLEN

OFFICIAL ACTION to prevent further damage being done to Britain's egg industry by large imports of French eggs was announced by Mr. Fred Peart, the Minister of Agriculture yesterday.

He invoked Article 135 of the U.K. Treaty of Accession to the EEC which will trigger off emergency action by the EEC Commission to work out exactly what measures the U.K. can take to protect her market.

The move came after months of pressure by U.K. egg producers — including militant action at ports to stop the egg imports—to protect their market. where oversupply has brought a steady decline in prices.

Two cuts in producers' prices in the past two weeks have reduced producers' returns to their lowest level for 2½ years and the industry estimates that the average producer is losing 10p on a dozen eggs.

Losing money

Mr. Peart said last night: "The situation in our egg market has taken a sharp turn for the worse. Price cuts announced yesterday will bring producers' returns down to an average of about 15p a dozen. This means that while eggs are now extremely cheap to the housewife, producers are losing money."

He had said on May 29 that he would seek remedial measures if he judged them necessary. In the light of the present market situation. he had approached the EEC Commission.

Under Article 135, any new member State can apply for authorisation to take protective measures to deal with difficulties arising from trade with the Community which could cause serious economic damage to any given area. The Commission "shall then. by emergency procedure. determine without delay" the necessary measures the country can take to protect the particular area. in this case eggs

Such measures could involve temporary derogation of EEC regulations which could lead to the U.K. imposing levies on egg imports from other Community countries or even banning imports for a period.

This month alone an estimated 80,000 boxes (nearly 29m. eggs) of French eggs have been imported equivalent to 2½ per cent. of the total supply. Militant producers threatened earlier this week to demonstrate when the Prime Minister opens the Royal Show at Stoneleigh. Warwickshire on Monday if no action is taken to stem the imports.

Major Barry Webster. chairman of the U.K. Egg Producers' Association welcomed Mr. Peart's announcement but said the producers would still meet at the show as planned and would decide what action to take then.

Over 14% of oil tankers idle

By James McDonald, Shipping Correspondent

THE WORLD-WIDE oil tanker slump continues. and the flow of unemployed ships into lay-up berths goes on. It is estimated by a leading shipbroker that 428 tankers, aggregating 35.8m. deadweight tons—nearly 14½ per cent. of the world tanker fleet—are lying idle. The figure represents an increase over the last month of 27 ships totalling 3.8m. tons.

Cancellations of tanker orders in world shipyards have also grown over the month. according to shipbrokers E. A. Gibson. A total of 115 ships—a large proportion of them supertankers of over 200.000 tons—aggregating 28.2m. deadweight tons has been cancelled.

The figure compares with a cancellation total of 108 ships totalling 25.9m. tons a month ago.

The market for VLCC's is extremely limited, and there is a further "hidden" surplus of 27 of these ships. totalling about 6.75m. tons. available on the spot market on the basis of Persian Gulf "readiness."

Despite the huge volume of cancellations, there still remain on order in the world's shipyards 53 ULCC's (Ultra Large Crude Carriers) of over 300.000 tons and ranging to over 500.000 tons due for delivery from July up to 1978 for which employment has not yet been fixed.

Construction of tankers to be delivered this year and in the first two or three months of next year is already under way, but the future of ships to be delivered after the middle of next year must be in doubt. even though the owners may have to absorb heavy cancellation costs.

British Airways in £80m. deal for four more Boeing jumbos

BY LORNE BARLING

BRITISH AIRWAYS yesterday signed an £80m. contract for four Rolls-Royce powered Boeing 747 aircraft. following the recent Government decision to fund further development of the engine, the RB 211-524.

The agreement is seen by British Airways as a major step in cost cutting. due to the engine's efficiency, and by Rolls-Royce as a breakthrough which will lead to sales worth up to £450m. by 1986.

Mr. Ross Stainton. chief executive of British Airways' overseas division. said there would be immediate benefit from the new aircraft. the first of which will be delivered in April 1977. This would amount to savings of around £9.5m. a year by 1982.

The engine. which may give a range advantage of up to 10 per cent.. would reduce the number of stops and consequent costs, and reduce flight times.

He said: "The Boeing 747-200 also helps us, by its economics, to hold down the level of fare increases that we and other airlines will undoubtedly be seeking in the future."

Mr. E. H. "Tex" Boullion, president of Boeing's commercial airplane division, said before the signing at Heathrow Airport that the contract was "worth waiting for" and that the Rolls-Royce powered version of the 747 could in future constitute a large proportion of overall sales.

Engine thrust

British Airways is likely to increase its fleet of 747s — now numbering 17—to 37 by 1981 and to 58 by 1985, on present growth trends. However, some will not be powered by the Rolls-Royce engine due to specialised requirements for some aircraft.

The new aircraft will. however. greatly extend the airline's operational capabilities. enabling it to provide non-stop flights on the London-Johannesburg route and similarly between London and Bombay and Caracas.

Rolls-Royce engines will increase maximum take-off gross weight by more than 60,000 lb and when the engine's thrust is developed. with Government backing, it will raise it by another 20,000 lb.

● The British Airports Authority said yesterday that passenger traffic at the seven U.K. airports which it controls had increased by 8.6 per cent. during May, compared to the same month last year. A total of 1.8m. airline passengers passed through Heathrow in May. 6.8 per cent. more than the same period last year and at Gatwick the rise was 13.9 per cent. Stanstead reported an increase of 37.9 per cent.

Construction order book shows £30m. rise in April

BY MICHAEL CASSELL

AN IMPROVEMENT in the level of new orders for the construction industry was recorded during April. according to the Department of the Environment.

Provisional figures show that the total value of new contracts won by builders during the month rose to £567m. from £537m. in the previous month. In April last year orders were valued at £463m.

There is no suggestion that the construction sector is now experiencing the beginnings of an all-round improvement in workloads and in any case one month's figures provide no reliable indication of trends, but in some respects the outlook is brighter.

The Department says that when expressed in constant prices, to remove the inflationary element from the figures, new orders in the three months from February to the end of April were 2 per cent. down on the previous quarter, but were 5 per cent. up on the same quarter a year earlier.

Public works

In the public housing sector, orders in the February-April period were 47 per cent. up on the three previous months and 56 per cent. higher than a year before. Private housing orders rose by 3 per cent. from the preceding quarter and 8 per cent. up on the same period of last year.

Public works new orders were 27 per cent. below the previous three months but 25 per cent. above the February-April period last year. Private industrial contracts were up by just 1 per cent. over the preceding quarter but 12 per cent. below last year. Commercial contracts in the private sector were 17 per cent. better than in the November-January quarter but 43 per cent. down on February-April last year.

In April alone, the Department estimates that council house orders were valued at £131m. against £122m. in March while private housing contracts rose from £82m. in March to £99m.—the highest monthly performance recently achieved. Public works contracts increased in value from £166m. in March to £223m. but building work accepted in the private industrial sector in April fell back substantially from £97m. in the previous month to £54m.

As far as the private commercial sector was concerned, new orders were valued at only £60m. compared with £69m. in March.

Other figures released yesterday by the Department show that brick production in May reached 423m., a fall of 14m. from April but 146m. down on a year earlier. Deliveries in May rose, however, from 396m. in the preceding only marginally below the delivery rate achieved in April last year. Stocks fell during May from 896m. in the preceding month to 841m., compared with only 530m. 12 months before.

Cement deliveries last month averaged 360,000 tonnes a week. rising from April's figure of 316,000 tonnes weekly. Production also rose from 327,000 tonnes a week to 365,000 tonnes.

High 'liability' tax deposit plan

BY JUSTIN LONG

MR. DENIS HEALEY. the Chancellor, has decided to introduce a new form of tax deposits to enable a taxpayer to provide for a potentially large liability. The scheme, a detailed prospectus of which will be issued by the Treasury in the autumn, will be available to individuals. companies. firms and partnerships.

Taxpayers reaching a stage where they cannot quantify precisely an anticipated large tax liability. will be able through the scheme to avoid. on the one hand, a significant charge of interest on tax arrears. and on the other, the cost of a potential overpayment of tax.

Announcing the proposal in a Commons written reply yesterday, Mr. Joel Barnett, Treasury Chief Secretary, said a number of professional and commercial bodies had urged such a plan. He added: "The facility of this kind would go a long way to ease the most difficult of the problems some of the bodies felt could otherwise arise under new provisions in the Finance Bill."

The new provisions Mr. Barnett referred to are in clause 43. on the charging of interest on unpaid tax. The Chancellor had accordingly decided to introduce the new form of deposit to be known as Certificates of Tax Deposit.

"The new scheme will differ in some important respects from earlier schemes for tax reserve certificates and tax deposit accounts," said Mr. Barnett.

The new certificates would be available against tax generally—including income tax (other than PAYE and tax deducted from payments to sub-contractors). They could be used against Corporation Tax (including ACT), Capital Gains Tax, Capital Transfer Tax and Petroleum Revenue Tax.

Deposits would earn interest for a maximum of six years—by contrast with the two-year maximum under the old Tax Reserve Certificate scheme. The rate of interest on new deposits would be published by the Treasury from time to time by notice in the London Gazette.

"If the deposit is used to pay tax, that tax will be treated as paid on the date on which it would normally be due or, if later, on the date the deposit was made. Interest will not run beyond the normal due date of tax. It will be paid gross and will be taxable in the normal way," said Mr. Barnett.

Taxpayers would be able to maintain their deposits and tender them in payment of tax at any time, whether or not the six-year period of interest had expired. An initial purchase of certificates might be made in a sum of not less than £2,000.

Jobless 'still rising'

UNEMPLOYMENT in the construction industry is continuing to soar and more work would have to be provided unless it was to suffer serious and permanent consequences. Sir Bob Willan, senior vice-president of the National Federation of Building Trades employers, said yesterday.

Mr. Willan told the NFBTE's southern region at Hayling Island that about 160,000 people in the construction industry were unemployed.

Department of Environment figures suggested that more than 100,000 operatives had left the industry for good since the present recession began.

NCB pays way despite subsidy cut, Ezra says

FINANCIAL TIMES REPORTER

THE NATIONAL Coal Board broke even financially in its last full year, despite a £50m. cut in Government subsidies, Sir Derek Ezra, chairman, yesterday told the annual conference of the National Association of Colliery Overmen, Deputies and Shot Firers at Scarborough.

In 1973-74, the Board made an operating loss of £112m. In 1974-1975, even after interest charges of about £35m. had been met, they had been able to break even, Sir Derek said.

The Government decision to allow realistic pricing in nationalised industries had meant the former subsidies of £100m. being cut by about half.

The Board had been helped by its ability to increase prices. However, he ruled out the prospect of further substantial price increases.

Mr. Anthony Wedgwood Benn, the new Energy Secretary, told the 200 delegates of his desire for greater industrial democracy in the mines. "Self management" could release a great deal of potential now hidden in people who work in the industry.

Sir Derek, fully endorsing Mr. Benn's views, said that he had ordered a special committee to be set up under Mr. Cliff Shepherd, the Board member for industrial relations.

Car output in May hits 13-year low

Financial Times Reporter

THE FULL impact on motor manufacturers of industrial disputes on top of a dull market last month—when output fell to its lowest level for 13 years—was emphasised yesterday by figures from the Society of Motor Manufacturers and Traders.

The SMMT shows that within the total drop in car output of more than a half on the previous May, Chrysler's weekly average output—which was especially badly affected by the engine dispute at Coventry—fell to 2,519 vehicles compared with 7,363 in May last year.

Vauxhall's weekly average output fell from 3,351 to 1,790, British Leyland's from 18,825 to 9,136, and Ford's from 9,692 to 4,454.

Car production in the first five months of this year was 15 per cent. below the same months of last year, although commercial vehicle production was 9 per cent. higher over the period.

Liberals block motion to name Europe MPs

THE LIBERALS yesterday blocked the Government's motion in the Commons naming the 12 MPs it proposes should represent the Labour Party—along with six Labour peers—at the European Parliament.

When the motion was put to the House, Mr. Jeremy Thorpe, the Liberal leader, led a shout of "Object" from the Liberal benches. Under the procedure for such motions, the Government must now arrange time for the nominations to be debated.

Under the Europe representations proposals, the Liberals face the prospect that the members they send to the Strasbourg Parliament will be reduced from two to one. At present they are represented by Lord Gladwyn and Mr. Russell Johnston (Inverness).

Scottish Nationalists are also claiming that their party should be represented by an MP.

IN BRIEF

Vauxhall prices up

Vauxhall Motors has raised its car prices by an average 5.5 per cent.

Examples of the new prices, including car tax and VAT: Chevette L £1,742.13 (£1,649.70); Viva De Luxe 2 door £1,669.59 (£1,580.67); Magnum 1800 Estate £2,198.43 (£2,081.43); Victor 2300 £2,352.87 (£2,231.19); Ventura £3,042.00 (£2,884.05).

Cargo ship credit

The Export Credits Guarantee Department has guaranteed a £1m. loan to help finance the sale of the 7,290 deadweight tons cargo ship Lyminge by Constants of London, to Slobodna Plovidba, Yugoslavia.

GKN Sankey deal

GKN Sankey plastics division. Wolverhampton, has agreed with Interstore to manufacture and provide ancillary storage facilities for the range of ABS injection moulded furniture marketed by Interstore.

Abortion petition

Mr. Geoffrey Finsberg (C Hampstead) presented to the Commons a petition, with "some 3,000 signatures" urging that no legislation be passed to restrict the circumstances in which women could have legal abortions.

Waterways award

The British Waterways Board was presented by Prince Philip yesterday with a Heritage Year award for its continuing contribution to conservation.

£10m. plant

Toyo Soda of Japan plans to build a £10m. chemical plant in the U.K. in partnership with a British company. The feedstock will be derived from North Sea oil.

Remote reading

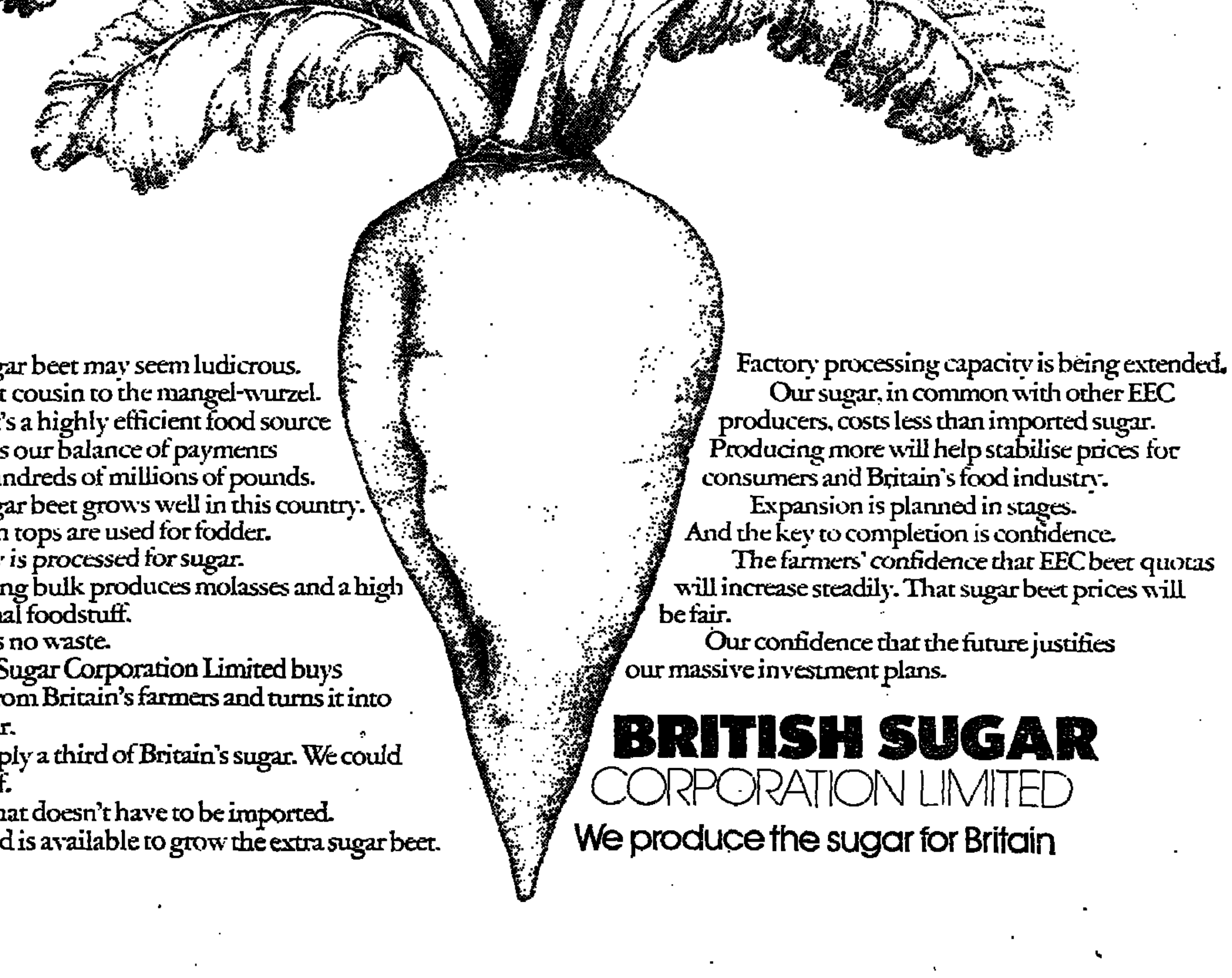
The Department of Industry has commissioned Preece Cardew & Rider, to study ways of remote reading of electricity and gas meters. A pilot scheme in Milton Keynes is under consideration.

Repair money

Sir Reg Goodwin, the GLC leader, welcomed the Government's restoration of £4.5m. originally cut from home improvement grants. The new ceiling is £15.5m.

Brewery reopens

Manchester's Royal Brewery re-opened after being re-equipped at a cost of £4m. It will be able to produce 1m. barrels of Harp Lager a year, 30 times more than before.



RESIDENTIAL PROPERTY

LONDON HOUSES AND FLATS

FOR INVESTMENT

LAND FOR SALE

Property and housing

Two sides of the market coin

BY JOE RENNISON

FOLLOWING LAST week's view of the market from the south coast there come this week two, if not exactly contradictory, at least different views of what the future might hold. The market is still obviously in a very confused state and there is continuing difficulty in assessing how the prices of new homes—which logically must go up—will affect the prices in the second-hand market and vice versa.

An optimistic view of the market—possibly slightly over optimistic—comes from the London agents Gross Fine and Krieger Chalfen. They report that what they call that "invaluable commodity," confidence, is returning to the residential market. This manifests itself in the fact that potential buyers are seriously looking at properties once again and vendors are giving serious consideration to the reasonable offers that are being made.

GFKC specialise in the buying and selling of flats. They find that at the lower end of the market the prices are now recovering to almost the same levels as applied in 1972. In the market in flats up to a price of about £15,000—where mortgages are more readily available—demand will soon be overtaking the supply at present on the market.

They say that they are finding it difficult to satisfy all prospective purchasers. Reasonably priced flats are selling as quickly as they come for sale.

Apart from this increase at the lower end and there is the usual depressing news about the rest of the market. The firm says that there is "sales resistance" in the price range from £25,000 to £100,000. One might add that this is putting it mildly, particularly in such a broad price band. Not unnaturally there is what is described as a "difficulty in achieving sales within a reasonable time period." On the other hand those vendors who have reduced their asking prices to reasonable levels are getting what they want—that is, a sale.

There seems to be little hope for a revival in the luxury market. GFKC describe this end of the market as spasmodic and in many cases dependent on the appointments in London of the oil and shipping magnates and of foreign dignitaries who form the backbone of purchasers at this price level.

They normally have the cash available or the properties are bought in the name of a company but their bargaining position is beyond question. The firm is now concentrating on finding the clients who have the cash.

It is interesting that those with the cash also want to move into the new property with the minimum of bother. Gross Fine say that with few exceptions the majority of luxury properties they have sold have been in superb decorative condition. This gives the purchasers the opportunity of immediate occupation on completion of their transactions without the need for time consuming and expensive alterations and decoration.

Mr. Jason Salter, the residential director of the firm, feels that while confidence has returned to the investment market he sees no possibility of another boom. But there is a hope that the market is returning to normality. He says that the "boom and depression of the past four years are now a matter of history and there is no reason why, through patience and common sense, the current situation where vendors are selling at reasonable prices and purchasers can afford to buy should not continue for many years to come."

He adds, however, that it is a sad reflection on the current scene that only foreigners are able to afford the luxury type of property and hopes that the Government will soon ease the £25,000 limit on mortgages for tax relief against interest.

A cold shower of reality was brought to the housing scene earlier this week in some remarks made by Mr. Raymond Walker, the chairman of the Birmingham based housing and construction firm of Alfred Walker and Son.

He said that while sales of new houses have been brisk in the earlier part of the year, there is already an indication that this trend is neither consistent nor reliable and could be easily upset by the worsening economic climate. While sales have remained steady, there are no signs of the return of a boom situation.

As far as building societies are concerned, he thinks that they are now near the point of being able to satisfy demand, but it would still be wrong to say that mortgages are easily available. The societies are only too aware that the easy availability of money could trigger off another price rise and they obviously would not want to be responsible for this.

He gave a warning, however, that there must come a rise in new house prices. He said that unless house prices can rise to reimburse builders for vastly increased prices of materials and labour charges, it is likely that even fewer houses will be built. At the present time, the market is such that these additional costs cannot be passed on to the purchase and profit margins for the builder must be reduced.

We are all playing a waiting game — not only with the property market but the economy as a whole.

In these days of economic suicide the idea of a property as a survival bunker has been put forward more than once. It should be a place where as well as a roof over the head, most of life's necessities can also be found in situ. So far these ideas have concentrated on low cost buildings or cottages with land sufficient for the average cabbage patch.

With the house on the left, cabbages would seem inappropriate. But it is set in 2½ acres so there would be space to grow some strawberries and asparagus. There would even be space for some vines to make the necessary accompanying champagne. With all that water around it should be possible to grow some watercress for sandwiches—these are particularly useful for garden parties or if the Vicar calls. One essential it will not lack is electricity. North Newington Mill has its own water wheel which has been restored and provides power for the house. Eventually it will be able to provide heat for the swimming pool which is another feature of the property. Agents: Savills. *Price: £68,000.*

OVERSEAS PROPERTY

YACHTS AND POWERCRAFT

Estates and Farms

Fewer farms change hands

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

AFTER the spectacular surge in land prices between 1970 and 1973, when the average price of farms sold by auction practically trebled from £269 an acre to £800 an acre, the market began to fall during the first half of 1974. This trend accelerated during the remaining six months of the year. For the first five months of 1975 the decline has not been so steep Present value is about £500-£600 an acre for useful farms with vacant possession.

But of this it must be said that the only accurate measure of farm values are the reports of sales by auction, and it is a characteristic of this market that vendors tend to sell by auction on a rising market, a period when nobody can really estimate values with any accuracy, and then sell by private treaty on a falling one, when they feel that they have more control of the situation.

This has been well illustrated by the fact that the detailed measure of auction prices "Farmland Market" published by the Estates Gazette and the Farmers Weekly, shows that the amount of land changing hands by auction was halved during 1974 as compared with 1973.

The other source of information is the Ministry of Agriculture's reports based on valuation for stamp duty. These are very much out-of-date when published. There is usually a delay of six months to a year between the actual sale and the valuation and payment of stamp duty. These sales also include disposals between members of a family and these are seldom at full or anything like full market prices. The Ministry figures can only be judged as a guide to trends. But they could be expected to reflect auction prices which have an influence on the much larger quantities of private sales.

Inhibited

There are also many owners who would like to sell but are inhibited from doing so because of the present uncertain state of the market. Some may be holding land which they will be able to dispose of only at a loss in present market conditions. There are at present quite large blocks of land in this category in the Southern counties, whose owners in some cases, the mortgagees, are waiting for a suitable moment to unload.

The collapse in values has certainly been caused in part by the announcement last summer that the Government was going to abolish estate duty with its accompanying relief on agricultural land and replace it with the capital transfer tax—to say nothing of the wealth tax. This at a stroke removed one of the attractions of land buying for the non-farming investor. At the same time institutions, insurance companies, etc., seem to change their minds about the value of land as an investment. It was felt that although agricultural land had some advantages as an investment in an inflationary situation, this advantage could be illusory if the income to be expected from it were not financially worthwhile.

In the event, according to figures by the Country Landowners Association, during 1973 institutional buyers took 26 per cent. of the acreage in their survey, but in 1974 the figure for the comparative period was only 9 per cent. There are believed to be quite large blocks of tenanted land awaiting buyers, and it is very difficult to establish a level of prices. It is probable, though, that an institutional or other buyer of tenanted land will require a return of between 6 and 8 per cent., as compared with the 1 and 2 per cent. in the boom period of 1972/3.

Not dismayed

Farmers who have seen the value of their principal asset fall by at least 25 per cent. over a year are not dismayed. Most of them regarded the high prices as a most serious embarrassment, which would make the payment of Capital Transfer Tax and estate duty an impossible burden on their heirs and successors. Many expect prices to fall further. Few of them would worry if they dropped to levels closer to those ruling in say early 1972 before the market actually took off.

A feature of recent sales has been the break-up of quite small farms into fragmented lots which would tempt individual neighbouring farmers to buy an extra field or so. To sell a farm whole is becoming the exception. One auctioneer told me that it was only by doing this that he could effect a sale at all.

Apart from farmers putting their savings into land, the other main source of fresh capital has been the remnants of the roll-over provisions of capital gains tax. There is no doubt that this has been a very marked contributor to rising land values and with this concession withdrawn, as it will be shortly and in any case nullified by the Community Land Bill, the final underpinning of the market will have gone.

The decline in land values has been most marked in the areas of poorer land like North Wales and the South West of England, where falls of between 30 and 50 per cent. are recorded for the latter half of 1974. Farms in these areas suffered particularly badly in the collapse of livestock prices during the winter 1974/5, and it is difficult to see them achieving any rise in values in the near future.

According to the advertisements in the Press there are more farms for sale in these areas than anywhere else in the U.K. Prices have held up best in the East Midlands and Eastern England and for large farms, too, in the southern counties of England. But it must be realised that these areas have had two good years of grain prices, and that very few farms have been on offer.

Any estimate of future trends must be heavily qualified by the effects on the market of the new capital taxes which are still being digested. Their influence can only be bearish. If land has to be subjected to these increasing taxes in common with other investments, the ordinary investor would probably prefer an asset of which he could easily sell portions such as stocks and shares, than of land which if it is fragmented can lose value as a working unit. This is a problem which has not really been solved by the Government's proposed concessions on these taxes.

The cost of British land used to be compared with that on the Continent, the inference being that British land was far too cheap. The fact is that it's very difficult to establish a pattern of prices for land in the Common Market because values there are very complicated by the impact of social and other provisions which makes it impossible to establish a free market in land. In general, though, and comparing like with like, land prices in the U.K. are probably even now fully up to the levels of our Common Market partners, or even higher.

The impact of taxation

BY PETER WORMELL

A BIG questionmark hangs over the future of farming as a result of the spate of anti-wealth taxation and the impact that all these taxes will have upon the structure of the industry. Will the movement towards larger units be halted or even reversed?

Wealth tax aside for the moment, the impact of Capital Transfer Tax (CTT) means that the net has closed on farms passing to the next generation.

Land sales in this country amount to as little as 1.5 per cent. of the total agricultural area per annum — although during the 60s the figure was 2 per cent. It means that farms on average change hands only once every 66 years, and presumably incur liability for tax at that interval.

What CTT has done is to prevent any interchange to the next generation, and so we must now assume that every piece of farmland will be faced with a heavy liability every generation (say 25 years). Handing direct to a grandson involves problems of inexperience in many ways, as well as antagonising a son looking to his rightful inheritance.

The net effects of CTT and the abolition of the old 45 per cent. rebate have been assessed by the Country Landowners Association as escalating the annual tax bill for landowners from £20m. under estate duty to £124m. It represents a formidable drain on the resources of an industry which has a high capital value, but a low profit ratio on that value.

Although development values have declined in the past year, it was in 1973 that Ian Read of Wye College, speaking at the Oxford Conference, calculated the benefits to land-owners during 1972 from the sale of development land at a staggering £1bn. The figure may have been too high, but it illustrates the capital inflow of funds to landowners and farmers from an outside source. The money was used for capital re-investment into farms and machinery vital to sustain the progress of the industry, and keep pace with inflation.

Under the Community Land Bill, and its forerunner the Development Land Tax, expected in the next session of Parliament, the intention is to reduce all land transactions to "current use value" in an attempt to take the steam out of property speculation.

Wealth tax, even at minimum rates, would be crippling to extract from agriculture. Even at a valuation of £250 per acre, an annual charge of 1 per cent., it would cost a 300-acre farmer £750 per year, or £2,250 annually for a 1,000-acre man. In both instances a burden that would spell stagnation and retrenchment. Its side effects as farmers deliberately ran down their farms to reduce their value for taxation would be a highly retrograde step for the national economy.

Concessions

With all these new taxes, only under CTT are there any concessions towards recognising the unique position of agriculture. These revolve around the "full-time working farmer" relief, which in essence amounts to a so-called advantageous valuation of the farm.

The original Government intention was a figure of £250 per acre (maximum of £250,000, or 1,000 acres) calculated by a new method of multiplying the rent 20 times. This arbitrary figure was debated during he course of the Bill through the House, and figures between 20 and 12 were suggested. After the guillotine had been used to get the CTT legislation on the Statute Book, the multiplication figure on farm rents was taken back by the Treasury for re-examination. It does not require an Act of Parliament to change it.

As land values have dropped, rents (after the freeze) have risen. To-day many rents are being agreed at £20 per acre, which grossed up gives a land value for tax purposes of £400 per acre. With general inflation, rents will continue to rise, but land values may not, and this so-called concession is already seen to be working to landowners' disadvantage. The intention of a 70 per cent. discount from open market prices (either vacant possession or tenanted) is being exceeded by the rent multiplication formula. To-day a more realistic figure would be 10 times the open market rent for the district.

What methods can be legitimately employed to mitigate the effects of CTT? First, the ownership of the land can be divided between husband and wife free of tax. A farm worth £300,000 would attract tax of £144,750 if in sole ownership and left to the next generation. Dividing this sum between husband or wife, the tax liability would be £109,500, a net saving of £35,250, but since husband and wife would expect to die at differing times, the actual payments could be spread far beyond the eight years at present allowed (although interest non tax deductible is charged). There may be problems if husband and wife become divorced.

Farm valuations can be reduced in creating a tenancy, by roughly two-fifths of vacant possession price. Landowners have been taking into hand all tenanted land as it became vacant since the Agricultural Holdings Act 1948 gave a massive security of tenure to the tenant. Although this will continue, land taken in hand must be farmed by a tenancy created within a family, or other partnership. A low rent could help to reduce valuation at probate.

Since CTT is a tax on the net value of your holdings, the provision of debts can cream off some of the enhanced land value, and the provision of the annual "free" gift of £1,000 per annum, or £2,000 over two years, can effectively syphon off a gradually increasing sum.

Over a period of years this relief can be useful, but few farmers have the available resources to put it into effect, and borrowing from a bank to give away to a child may not commend itself to many hard-pressed farmers.

Gifts on marriage (£2,500 from each parent) can furthermore increase the landowner's debts, but again the problem of liquidity to enact this concession may be more of a stumbling block. Smaller gifts which may amount to no more than a "dress allowance" are also methods of dispersing family wealth.

A proportion of life cover must be part of any package for a responsible land owner, although the sort of figure required for complete alleviation from tax would present a crippling premium. Nevertheless, it remains part of the general provisions.

Capital injections into farms do not always increase the value of the land, but may increase the profitability of the business, while this will act detrimentally towards wealth tax assessments, it can aid the possibility of the next generation owner earning sufficient profits from an intensive farming business, as against an extensive one. A new piggery, or an additional enterprise, can add to the long-term profitability of the farm, although there may be unprofitable "cycles." Nevertheless, a business with better annual profits stands a better chance of finding the payments that will be required to meet the CTT liability. Surely another concession could be made in extending the eight-year payment period to 12 years.

The general effects of these taxes will provide farmers and land owners with some knotty problems in trying to perpetuate their land within the family. Tax liability can no longer be avoided, but it can be mitigated. Every case is individual, and must warrant the serious study by professional advisers.

As the law stands (and this may be the worst possible year in which to die) the effects appear to be catastrophic. Changes in the law and farmers' initiative in seeking mitigating clauses may be helpful—and provide some, but not all, the answers.

Collecting wisely

Doulton discoveries

BY JANET MARSH

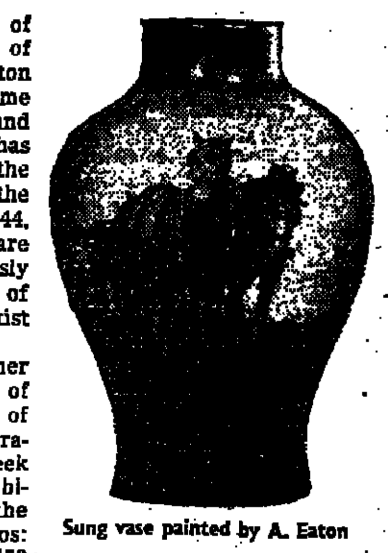
THE RENEWED recognition of the decorative achievement of the artists of the Doulton factory, over a period of some 70 years between the 1860s and the Second World War, has been very largely due to the efforts of Richard Dennis, the shelves of whose shop at 144, Kensington Church Street are generally quite dangerously crammed with the best work of the 19th century British artist potters.

In 1971 he brought together an unrepeatable exhibition of almost 700 examples of "Doulton Stonewere and Terracotta: 1870-1925." This week the second part of the Exhibition "Doulton Pottery from the Lambeth and Burslem Studios: 1873-1939," with some 450 exhibits, opens at the Fine Art Society in Bond Street. "It has taken over five years to assemble Part II of the Doulton Catalogue and there are still some wares and artists not fully represented," Mr. Dennis writes in his preface; adding ruefully, "but one cannot go on gathering material for ever."

Doultons were founded in the year of Waterloo, as manufacturers of the brown salt-glazed earthenware which had been made on the banks of the Thames since the 17th century. At first they produced a variety of domestic ware: but by the 1860s, with the new Victorian bourgeoisie aspiring to daintier wares for kitchen and table, the firm's principal output was drainpipes, chimney pots, water filters and commercial wares like ginger beer bottles.

But Henry Doulton, who had gone into the business as a working potter in 1835, as a boy of 15, and made a fortune out of such workaday wares, had clearly a great pride in his craft. The firm exhibited at the Great Exhibition of 1851 and at the subsequent international exhibitions in London (1862) and Paris (1867). After his Paris exhibit, Doulton finally agreed to a repeated suggestion of his friend John Sparkes, head of the Lambeth School of Art, that some of his students should be permitted to try their hand at decorating the firm's salt-glazed stoneware.

The first work of the little studio thus set up was enthusiastically received at the South Kensington Exhibitions of 1871 and 1872; and thereafter the size and prestige of Doulton's art pottery grew. Doulton himself was awarded a medal of the Royal Society in 1885, and knighted for his services to industry in 1887.



Sung vase painted by A. Eaton

The success of their stoneware pottery led Doultons to experiment with other forms of art pottery; and it was shortly after the Exhibition of 1871 that the firm began to produce "faience." The term is not to be confused with its more usual use to refer to tin glaze pottery: "Faience," said John Sparkes, "is a convenient term for any sort of earthenware that is not white . . . a conventional term for painted pottery, on any ordinary natural clay as a body."

Lambeth Faience ware makes up the greater part of the Exhibition at the Fine Art Society. The earliest examples, from the early 1870s are unsigned and tend to formalised Renaissance motifs; but by the 1880s the Doulton decorators had developed a lively variety of very personal styles: the delicate illustrations of *fin-de-siecle* figure drawings of John McLennon; the wistful rural studies of Linnie Watt, the very personal but always vigorous flower painting of Minna Crawley, Mary Butterton, Mary Capes and Florence Lewis.

Hannah Barlow, the most cherished of all Doulton stoneware artists, occasionally decorated faience with her animals, as did her sister Florence, with her characteristic bird studies.

At the First International "Studio" Exhibition held in Grafton Street in 1902, Doulton Faience decorators like Margaret Thompson and Elise Simmance collected most of the commendations in the ceramics section, demonstrating "that new spirit which is challenging the old distinction between 'manufacturer' and 'artist' . . ."

The current exhibition represents other Doulton art wares, some of which can have had very limited commercial success, to judge from their rarity to-day. "Crown Lambeth" with its fine white body and gilt decoration encouraged a '90s frilliness. "Carrera ware" provided a creamy white, marble-like surface for decoration which attracted many of the designers of the nineties, though the most successful in this field was Ada Dennis with her appealing child studies.

"Impasto ware" used a different technique of decoration and firing, which built up a strong relief surface; "Marquetrie" produced a marbled effect by reviving a long-forgotten traditional method of compressing layers of different coloured clays. There were short-lived fashions for "Cyprus Ware" (following the Berlin Treaty of 1878 and Britain's annexation of the island) and "Velluma."

From the productions of Doulton's Burslem factory, established in 1877 as an outpost of the original Lambeth works, the exhibition includes a fine display of the spectacular Flambé, Sung, Chang and Jade wares produced in enthusiastic admiration of Chinese pottery, in the early years of this century.

Prices for these miscellaneous wares and for faience have tended to lag behind those of the more familiar and perhaps more characterful stoneware. So a little jug designed for Doultons in the twenties by Frank Brangwyn can be bought for as little as £6, though the star item in the exhibition, a monumental head of Beethoven sculpted in 1931 by Richard Garbe and issued in a limited edition of 25, is priced at £750. The average price of faience vases is around £40; flambé pieces range from £50 to £500.

On Thursday Sotheby's Belgravia have a good sale of Studio Ceramics (including De Morgan, Martin, Moorcroft and examples of most British Victorian art potteries) with some fifty lots of Doulton, among them a few examples of faience ware, and Richard Garbe's striking Burslem porcelain mask of St. Agnes, also represented in the Fine Art Society Exhibition.

SALEROOM BY ANTONY THORNCROFT

Record for Peter de Hooch

ALL SEEMS well in the world of the Old Masters. Prices at Christie's major summer sale yesterday were exceptionally strong, with a total of £1,191,697, and nearly all the paintings sold. The highest price was a surprise—£147,000 paid by the Swiss dealer David Koester for a Peter de Hooch painting, entitled *The Soap Bubbles*.

This was a world record for a work by this artist, the previous best being the £32,000 achieved in 1971. The picture by this 17th-century Dutch painter measures 23 x 19 inches and is a typical courtyard scene. It was sent for sale by the executors of the late Sir Harold Wernher, and the price, although it far exceeded forecast, was perhaps understandable since few works by this artist come on to the market.

Another good price was the £105,000 paid by the London dealer Roy Miles for a Canaletto, a view of the old Horseguards and the Banqueting Hall from St. James's Park. It was shown at the Guildhall Art Gallery in 1959 at the "Canaletto in England" exhibition, and sent for sale by the executors of the late Sir Robert Wilmot. As a sign of the times the price was well below the record £280,000 for a Canaletto, established in December 1973.

The other Canalettos fetched more modest prices—£52,500 by a Swiss private buyer for one view of Venice and £35,700 to an Italian for another. A fourth, a painting of the Grand Canal, fetched £30,450.

A feature of the sale was the £63,000, another auction record, given by Leggatt for a frozen river landscape by the 17th century Dutch artist Jan van Goyen. It was estimated at £35,000-£40,000. The same painting was sold at Christies' as recently as 1972 for £47,250.

The Arts

Animation at Annecy

BY RALPH STEPHENSON

Animation continues to grow both as a mobile art form and as a branch of film-making. The tenth Annecy Animation Festival presented cartoon and puppet films from all over the world to crowded audiences. Many cartoon features are reported in production, and the Festival showed a Swedish children's feature by Per Ahlin, *Dunderklumpen*, as well as *Coonskin*, a very-much-not-for-children, third feature of Ralph Bakshi, the creator of *Fritz the Cat*.

The latter has for hero an updated Negro Bre'er Rabbit, who with his gang wipes out an enormously fat Black-power Messiah. This cartoon action is presented in the setting of a live-action jail-break, and sex and violence (especially) are pressed to the point of Grand Guignol absurdity. There is a savage parody of *The Godfather* and no doubt other allusions lost on non-American spectators. The style, a mixture of cartoon and live-action, is more than effective, and no doubt will provide a pattern for more and more features in the next decade.

As for short films, they ran into dozens, with America, France, Canada and England leading in numbers, but with 20 other countries represented, from Bulgaria to Brazil. The British entry was strong on humour and a jury prize went to Alison de Vere's *Café Bar*, a light-hearted comment on the adventure fantasies of two young people sitting opposite in a café. Derek Philip's *Bigger is Better* gave a jolly nightmare vision of megalopolis, and Roland Wilson's *Trans-Siberian Express*, an advertising lark brilliantly drawn in a grand romantic style, worked up to a tremendous (and most effective) anti-climax.

The cruellist satire was Thelma Goldman's *Amateur Night* which had pathetic ladies shedding their clothes on stage to hearty shouts of "Garn Gladys, swing the other one." Another film showed pictures of recreation and cultural amenities planned for a dock area, accompanied by an extremely hostile bar-room heckler.

Together these two films reached beyond their immediate targets to criticise a true-Brit working-class anti-culture which rejects anything but beer, bingo, strip-tease and the pools. The most substantial British entry was Bob Godfrey's *Great*, a typically wild *pastiche* on the life of Isambard Brunel. It was noteworthy for its successful mixture of styles — black-and-white, colour, live-action and a wide range of graphics — and for showing equal mastery in them all.

It is good to report an outstanding cartoon from Russia, *The Heron and the Stork* by I. Nordstein. Against a background of faded elegance, part overgrown park, part classical ruins, the two ungainly, dignified birds had the dry pathos of characters from a Chekov play. The story too was of human futility for when one would marry the other would not, and so to the end they alternately propose and refuse. Most touching scene perhaps was in the rain, a bedraggled stork pursuing a reluctant heron with an umbrella.

From France there came an amazing abstract animation (which won the Grand Prix), Piotr Kamler's *Le Pas*, in which the air was filled with floating sheets and electronic music. It was a technical *tour de force* holding one both by its elegant precision and by the mystery of how it was done. My guess is that it was object animation and the floating sheets were paper-thin metal controlled by magnets or electric currents—but I might be wrong.

Jan Lenica's *Paysage* broke new ground showing, instead of his usual crowded world, a lonely dark landscape in which bodiless skulls chased and bit one another. *A La Votre* by Monique Renault was a wicked joke, showing a sultry nude with a tiny man (one thinks of the nursery rhyme "I had a little husband no bigger than my thumb") who, like a certain beer, was able to refresh the parts other husbands cannot reach.

One of the best Yugoslav cartoons came from Canada, *Who Are We?*, a comic pageant of Canadian history made by Zlatko Grgic for the National Film Board. From Canada too came Ken Wallace's *Thanksgiving*, a forceful essay in horror, in which the raw carcass of a turkey is brought horribly to life as a back-to-front monster, with great pleading eyes, awful stumps of arms, its breech a flapping, mumbling mouth, its neck a mutilated tail. As it tried painfully to escape across the kitchen floor, the laughter had an uneasy ring, and if there were converts to be made to the vegetarian cause, this was the instrument.

America presented a large and varied entry but execution often outran ideas. Artistically good was Faith Hubley's *Women of the World* but without any commentary its women's-lib message was muted and enigmatic. In *la-plume-de-ma-tante* vein, Gene Deitch told a genial story with a French setting, *The Beast of Monsieur Racine*. Another technical achievement was Bob Gardner's *Closed Mondays*, the unusual story of a spectator who wanders into a deserted museum and stays as one of the exhibits. The medium used was modelling clay and the life-like control, especially of the central character, was, in some sequences, almost beyond belief. This won the International Critics' Prize.

A frame from 'Women of the World' by Faith Hubley (U.S.A.)

Student report

BY WILLIAM PACKER

The season has come round again when all the art colleges in the country hold their Diploma Shows, or Degree Shows as we must learn to call them. They last only for a few days, but in that time offer those who think such things important the chance to take the pulse of the emergent student generation, as it moves, we hope, towards maturity. Beyond the work we may catch a glimpse of the subtle shifts in attitude and policy of those who taught it. And there is always the thought that some fresh young Lion is about to spring out of the undergrowth. These shows are important enough to lighten the grip of the galleries on our attention, and these hot June weeks see us making our way around the studios, cubicle by cubicle, casting our eyes over the product of what might well be eight years' study.

Naturally the three great post-graduate schools claim precedence, the Slade, the Royal Academy Schools and the Royal College: the facilities they offer, and their prestige, make them irresistible to the talented and the ambitious, of whom they have the pick. The expectations we have of them, therefore, are high, too high perhaps, for every year they are disappointed. But was the work really so much better years ago?

We must remember that the students work in circumstances that are protective, re-assuring and encouraging. Materials and space are found, and the validity of the very business of making Art is taken by all concerned to be a good thing. At the same time the pressure on each of them to establish a strong creative identity as soon as possible is enormous, or risk failing to make the essential progress from foundation to degree to post-graduate school. And in the face of severe competition it is hardly surprising that any student should prove reluctant to abandon the vehicle which, year by year, carries him forward successfully. It is easy to see how the pre-occupation with style and appearance at the expense of technique and content, characteristic of so much student work, consolidates itself. The mistake, of course, is to expect too much.

Having said all that, the painting and sculpture at the Royal College this year were positively enjoyable. A first impression, formed on a rather hectic opening night, was of work that in general seemed fresher than in recent years, much less suave and self-congratulatory, much more tentative and enquiring. In the Painting School there was far less of the over-precious and whimsical illustration, which in any case has always been done better by the illustrators, than before; and the sculpture was matter-of-fact and unaffected. This good impression was not altogether sustained by a closer and quieter look two days later: weak painting and bad drawing, often on a depressingly large scale, were unavoidably obvious; but it is fair, after all, to allow any show to amount to rather more than the sum of its constituent parts.

Certainly there was a great deal of interesting and likeable work, and some that deserved particular, if brief, notice. John Davidson's large paintings of piles of bricks were simply and efficiently established, crisply handled, the colour bright and clean; and they played all kinds of formal games with such things as perspective, solidity, positive and negative. The etchings, too, dealt with this imagery extremely well.

Christina Floyd showed large canvasses that were rather impressive, worked entirely in black and grey, close-toned, and with a rich and dense surface texture: straightforward and rather weighty abstraction.

Alexander Young's paintings of figures in interiors, obviously composed from a wide variety of sources, drawings, collages, photographs, and betraying certain obvious influences, were none the worse for that. They were well drawn, tightly organised, knowing and sophisticated, and altogether rather good.

Tom Dewhurst is an accomplished draughtsman, perhaps a shade complacent, for his work, whether from life or photographs, seemed dangerously close to illustration at times; but he managed to avoid the abyss. His photo-realist paintings of fellow-students (I presume) with their work were really very well done, carrying all sorts of art-historical references and in-jokes, to Millais and the pre-Raphaelites especially.

Graham Crowley's ebullient, decorative, and disarmingly off-hand abstraction also referred to Art, a kind of Cubist-Deco. His canvasses were all hung as lozenges, their surfaces worked freely and directly with rich, fresh paint, opalescent glazes, and heavily scored lines. And, finally, David Wiseman's mature and thoughtful abstraction seemed impressive, the images and surface of his paintings very active and energetic, belying their apparent calm, with strong movement away from the stable architecture of the canvasses themselves.

The work of the sculpture school was just as various: Gillian Hinds' studio-full of small, rather self-effacing wooden constructions was interesting, her enigmatic objects looking as though they should fold out to serve some long-forgotten mechanical purpose. The flat floor and wall pieces played around with perspective simply and astutely.

Jeffrey Edgar's wall on wheels and swaying brick arch were amusing and interesting ideas that when realised were gently disturbing, with a strong sculptural presence: and Michael Hynes' heavy and ambiguous objects, giant altars or monuments perhaps, possessed a similarly clear and powerful identity.

Keith Brown showed two works that by their very nature were impermanent, installations requiring only sawdust, glass and string. They were elegant demonstrations that things are not always quite what they appear to be, and that it is possible to make a silk purse out of a sow's ear.

All "degree shows" require stamina, sympathy, and an open-minded curiosity of the visitor, but, given these things, they have plenty to offer. They may well be extremely irritating, but never dull, and always they contain a pearl or two. The post-graduate schools set the pace, and their's are soon over; the others follow at their own convenience, waiting perhaps until the beginning of July. They are worth a visit.

Theatres this week

WIMBLEDON—*Tartuffe*. The Actors' Company in an enjoyable production of *Tartuffe* in Richard Wilbur's jogtrot heroic couplets. Edward Petherbridge is Tartuffe, Tenniel Evans is Orgon. Opened Monday.

NEW LONDON—*Thurber*. William Windom in a selection of his Thurber-based sketches, amiable material that gets rather lost in the cavernous volume of the New London. Opened Monday.

STRATFORD-ON-AVON—*Henry IV, Part II*. This concludes Terry Hands's sequence of the Henry IV and V plays. The austere but imaginative production is as deft as ever, though the smallness of the company shows through in such scenes as Henry's Coronation procession, where about 10 players are on the stage. Alan Howard is Prince Hal, Brewster Mason is Falstaff. Opened Tuesday.

FINANCIAL TIMES REPORT

Saturday, June 28 1975

INTERNATIONAL COIN AND STAMP FAIR

Stamps are still good value

WHILE THE mainstream art market has paused and hiccupped during the past ten months, there is one sector that has carried on its boom-like progress: stamps. *Philately used to be an obscure collector field,* a passion of the fanatic, but to-day it is a vibrant investment medium. In fact, the stamp market appears far less at risk to the flights of fashion and fantasy which often disrupt mainstream art, and far more likely to produce solid—and sometimes spectacular—price *growth.*

There are various reasons for this. The market is fully international, so that prevailing London prices are invariably adopted in all other major trading centres; its strong international collector appeal ensures deep reservoirs of supply and demand; and stamps are both highly portable and *simple to safeguard.*

"In terms of size and substance," says Stanley Gibbons, the famous London trading house, "the stamp must be the most valuable single commodity in the world. For instance, a used 'Post Office' Mauritius 2d blue of 1847 has risen in *value from £5,000 in 1962 to* £33,000 in 1975. Another example of rapid value increase is shown by Great Britain's 6d 'IR Official' of 1904, which was worth £3,800 in 1968 and to-day is valued at £13,500."

At the beginning of 1973, the company launched an investment service specifically to interest those who wished to choose *high-calibre philatelic* material as a barrier against international financial and political crises, as a sound medium- to long-term investment, and as a strong hedge against inflation. The minimum investment is £500, although sums of £5,000 upwards, which enable a wider choice of material, are preferred.

In its 1973 investment brochure, Stanley Gibbons illustrated 13 stamps with a total value of £82,940. A year later the same stamps were worth £106,950, an increase of 28.9 per cent. To-day their valuation has jumped to £130,855—a further increase of 22.4 per cent.

The company recommends "classic" stamps for investment —stamps issued before 1900— although it will sometimes recommend carefully-selected items up to 1930. A portfolio prepared by the company may contain a variety of items— single stamps, blocks of stamps, covers, printer's proofs, artist's essays and so on. Each portfolio *is put together individually.* "Stamps are a medium- to long-term investment," said the company this week, "and a waiting period of five-to-ten years is necessary to reap any rewards. These vary enormously, but have never been known to fall below 10 per cent. per annum."

Brave words . . . but they are borne out by the price performances of the 13 stamps in the investment brochure. We can look at two, the Cape of Good Hope 1861 1d "Woodblock" and the Australian 1913 £2 *"Kangaroo." Well-chosen* examples of the former, in the right sort of condition, were worth £500 in 1962, £1,800 in 1972, and are worth £2,500-plus now. Equally well-chosen examples of the "Kangaroo" were worth £50 in 1962 and £300 in 1972. To-day they fetch £550-plus.

Mr. John Van Haeften of Robson Lowe International, the world's biggest stamp auctioneers, spelt out some of the market's guidelines this week, starting with the avowal *that it is the classics and not* the moderns to go for: "One cannot think of a single case where a collector of classic stamps has lost money when the day came to sell, except where no regard was paid to condition and quality. To buy sheets of modern commemoratives and to build an investment portfolio of this nature is very unwise: the new issue to-day is often more popular during the first month of its life than it is during the next 50 years.

"Stamps appreciate in value with demand and modern stamps in sheets that are produced in issues of many millions will take a long time to increase in value, if ever. There was a terrific vogue for this type of investment in the late 1960s and early 1970s, but it soon became apparent that this was unsatisfactory when sheets of stamps were offered in magazines at as much as 20 per cent. below face value as investors tried to cut their losses."

Said Mr. Van Haeften: "The real appreciation has come from select buying of good-quality stamps in fine condition, essentially issued before 1900, that is, before the end of Queen Victoria's reign, though there are many cases of phenomenal appreciation in the issues of King Edward VII and King George V, up to 1935.

"There is no hard and fast rule about stamps being worth more if they are mint or used; it depends entirely on the individual stamp. The essential thing is that the used stamps should have clean, clear contemporary cancellations and the mint stamps should have, as far as possible, clean gum and no surface abrasions. With stamps printed without perforations, the margins around the design should be at least half the distance between one impression and the next, and if perforated the perforations should be clear and even.

"Collectors are becoming more and more discerning about the condition and appearance of their stamps, so quality and condition are paramount: quality remains long after price has been forgotten."

Philately has become increasingly specialised. The ardent collector can be as much *interested in colour variations,* differences in perforation and watermark and eccentricities of design as in the stamps themselves. Most serious collections are formed on the basis that the collection should contain at least one example of every stamp issued by the country in question, but from there the philatelist moves into *specialised studies of each* stamp.

Blocks of more common stamps are normally proportionately more expensive than single stamps, but in the case of many of the earlier varieties the difference can be remarkable. In the sale of the Victoria collection at Robson Lowe last November, a superb used single British 1840 2d blue fetched £145, but a block of four of the same stamps went for £3,800. Similarly, unused copies of the 1d black, issued at the same time as the 2d blue, *sell for around £150-*£200, but an outstanding mint block of 12 from the corner of a 1d black sheet was sold in Basle 15 months ago for just short of £20,000.

Another prize oddity is the stamp from one country which bears a post office cancellation of another. A Japanese collector of Hong Kong stamps paid £4,225 in an auction in Basle for a Hong Kong stamp cancelled in Anping in Formosa. Without that datestamp the stamp would have been worth less than 25p. In the same sale an 1871 envelope from the U.S. consulate in Shanghai bearing three American stamps worth less than £20 was sold for £12,700.

Michael Thompson-Noel

The British International Coin and Stamp Fair takes place at the Lyceum Ballroom, London WC2, *on July 4 and 5.*

Left: A unique block of four of France's Fr.1 pale vermilion of 1849, worth £45,000. Right: Britain's most valuable stamp, the 1904 6d "IR official," valued at £13,500.

Coins for all pockets

COINS HAVE proved one of the very best forms of invest*ment in the past decade. Not* only have prices for virtually all coins risen remorselessly upwards but this remains a sector of the fine art market where the modest collector can purchase attractive items for a very few pounds.

The advantages of coins are manifold. They often carry an intriguing historical pedigree; they can be works of art in their own right; they are frequently made of metals, gold and silver, which steadily rise in value; they are easily transportable between countries, and they are collected internationally. They are also easily sold through dealers or auction houses.

There is perhaps an additional incentive for British people to collect coins. Our coinage stretches back to pre-Roman times—an Iron Age currency bar can be bought for about *£250—and is rich in* metals and art work, especially if you include medallions, frequently struck in the 18th century and still very cheap, as part of the coin market. And one extra reason—London can claim to be the coin centre of the world.

It has a major specialist auction house in Glendining (which is linked to Phillips) plus frequent sales at Sotheby's and some at Christie's, as well as many of the world's leading dealers such as Seaby's; the coin side of Spinks; and Richard Lobel. Perhaps to begin with it is better to approach the dealers, buying coins which attract your interest at prices you can afford, and then, as expertise grows, add to your chosen area at the auctions.

With coins there is such a wide choice for specialisation— ancient coins, some of which still cost less than £1; classical coins; coins from the reign of *each British monarch; commem*orative sets; silver coins; modern coins; coins showing animals; even foreign coins. Most people collect the coins of their own country, although the really big investors, such as the Americans and the Japanese, operate internationally.

Although the price of coins last year doubled in many categories it would be foolish to invest in this area purely for *a potential profit. Already in* 1975 there are signs that the boom in prices is levelling into a very necessary cooling-off period.

Like every other art market *expert knowledge* is needed to make a success of investments— for example, the greater publicity about coins which preceeded the U.K.'s switch to decimal coinage obviously contributed to the extra interest in this market, but the prices paid for our pre-decimalisation coinage now look excessive. The speculative amateur can become as easily unstuck in coins as he can in any other market. It is just that coins were late to be appreciated and have necessarily caught up fast.

What you should buy in coins depends entirely on the amount you want to spend. No dealer is going to be haughty towards the small investor, and will be keen to recommend sectors. One possibility is County tokens of *the 18th and 19th centuries.* These have become popular among the amateur buyers as coin prices have risen. A few years ago one could buy tokens from one's own county for shillings; now you must pay *pounds, but there are still great* possibilities.

County tokens are recommended by Seaby, perhaps the largest of the specialist dealers. At Richard Lobel the tip is coins from the German states before unification which can still be picked up for less than £10. In addition medallions look a promising market. It really de*pends upon personal interest.* You can still buy bronze coins from the Roman Empire for £1-£2, and moving up the scale the celebrated English groat of medieval times need cost no more than £10-£20. A genuine silver piece of eight from the Spanish Main will not be any dearer, although gold doubloons will put you back £300-£400.

Higher up the market are five guinea pieces of, say, the reign of Queen Anne which fetch up to £5,000, and choice Roman gold coins that can be sold for up to £10,000. There are also *the freak coins like the 1933* penny of which only eight are known, and which can sell for at least £3,500. Even rarer is *the 1954 penny, of which only* one is known to have escaped from the Mint. This is in the possession of Paramount Coins and could be worth well over £10,000.

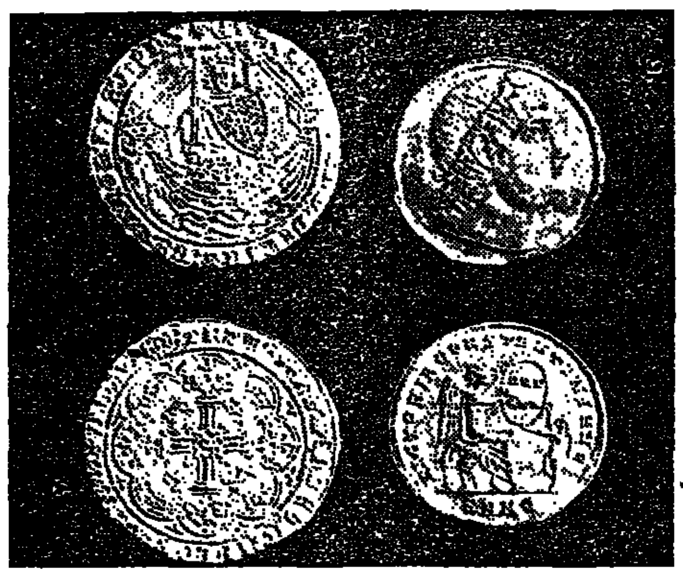
Some coin dealers dismiss such coins as aberrations, and prefer to deal in straightforward historical markets. For example, anyone investing in 30 representative English coins 20 years ago will have seen a forty-fold increase in value. Apart from three difficult monarchs, it is possible to buy the coins of virtually every British sovereign for less than £10 each.

For years collecting coins was a rather esoteric experience. Until very recently Glendinning used to serve tea for the buyers *at its auctions because they* rarely exceeded half a dozen in number and usually comprised the major dealers. Now coins are rivalling stamps as a popular pastime.

This is just starting to be reflected in the operations of the experts. Seaby has created a mobile exhibition which has been transported to Jersey, a potentially keen market, and which should be seen elsewhere in the U.K. The exhibition displays the wide variety of coins in price and period which are on offer. The danger, of course, is that coins should be seen purely as an investing market rather than desirable objects in their own right.

Perhaps the key point in coin collecting is made by Sotheby's: "*It doesn't matter what series* are collected. Quality is all important." There may be an enormous gap between the big investing buyers, who can pay £26,000 for a 1703 Vigo five guineas gold piece and the collector starting off in the promising area of County tokens or bronze medieval coins or war medals and decorations, but the attraction of collecting coins is that it is a remunerative hobby virtually anyone can participate in, and with fairly good hope that this is one type of coinage that will not lose its value.

Antony Thorncroft



Right: The obverse and reverse of a gold coin of Constantine the Great, 307-337, worth about £3,500. Left: A gold noble of Edward III, 1327-77, worth £1,200.

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Cosmetics or real action

THE POUND has been under strong pressure at times yet again this week and has touched a new low point against other currencies in general while equity prices have drifted back and the 30-share index is now down below the 300-level. It may seem somewhat perverse of the markets, at first sight, to be taking so pessimistic a view of the outlook at precisely the time when the Government at last seems to have grasped the need for more effective measures against inflation to be introduced quickly.

That financial markets do often behave perversely is hardly to be denied, but on this occasion it is only too easy to find a rational explanation of their behaviour. The reaction of the stock market, coloured to some extent as it must be by the weakness of sterling and the continuing spate of rights issues, provides the most obvious clue to the explanation: what investors fear is that the coming package may, at TUC request, contain a new and drastic element of price control. This point may be generalised. What many observers fear, both here and abroad, is that the Government, in its anxiety to win TUC consent to the inevitable package of anti-inflationary measures, will make concessions partly cancelling its value.

TUC change

That the position of some TUC leaders has altered radically in the past few weeks is hardly to be denied. Tuesday's meeting between the TUC and the CBI achieved relatively little but agreement on the need for a policy to bring inflation under control and to continue discussion, the fundamental reason for the failure to achieve more being simply that the TUC is most interested in having prices pegged and the CBI in having wage increases brought down to a more tolerable level. But the meeting of the TUC General Council on the following day seemed to make much more solid progress. The members drew up a six-point plan of guiding principle for negotiation with the Government and the CBI, the first and second of which were that a target should be set for the rate to which inflation should be reduced by mid-1976 and that unions should normally be expected to settle for a flat money increase compatible with this target—which might mean accepting an increase which in the short-term was smaller than the intervening rise in the cost of living.

This plan, which was endorsed by a +1 majority of the TUC General Council, was supported by Mr. Jack Jones with the view that it might be necessary to avoid "the destruction of the Labour movement" and by Mr. Len Murray with the opinion that something must be done to end a wage paper chase from which "working people want out." It has since been publicly welcomed by the Prime Minister as a major advance towards his aim of producing an anti-inflation package before the Parliamentary recess at the end of next month, though he agreed that the final package would have to be made "workable and effective."

Conditional

And there's the rub. All that the TUC, or rather its General Council, have so far offered is agreement in principle. There is no reason yet to suppose that it will command universal support among member unions, especially when the general aim is translated into actual figures of maximum permitted pay increases. Indeed, several prominent union leaders have already spoken out clearly against any such policy of voluntary restraint. What is more, the TUC plan includes "radical" action to limit price increases: an aim of halving the expected level of unemployment by the middle of next year: and the maintenance and development of the social contract.

What the financial markets clearly fear is that the cosmetic part of the coming anti-inflationary package will eventually turn out to seem more important to the Prime Minister than the operative contents of the package—that he will be ready in the cause of Party unity to accept once again an assurance of limited value from the TUC in return for concessions to union and left-wing opinion that will do more economic harm than good. The chief economic purpose of voluntary incomes restraint is to keep unemployment lower than it might otherwise be as a result of anti-inflationary measures that can no longer be postponed: these, to be successful, must include large and genuine long-term cuts in the level of public spending and strict control over the growth of domestic demand that will leave room for balancing our foreign payments and increasing productive investment. It is precisely these essential steps which the TUC seems to be ruling out as a condition of co-operation.

PUBLIC EXPENDITURE: where could it be cut? Continuing our series, Michael Dixon suggests that education is a prime candidate

A course in economic logic for our schools

THE State education system represents a large investment not only of money but also of faith, which makes any reduction of its activities hazardous for a ruling political party. But a thoroughly practical influence over any cutting of expenditure on education would derive from the fact that the word "education" stands for two things which the public mind has been unceasingly encouraged to confuse with each other, much as it at one time confused God with the Church. On the one hand, the word denotes education-the-ideal—something which is of its nature good, and the more of which everybody has, the better. On the other hand, the word stands for education-the-practice—a large tangle of activities, some good in their effects, some bad, and the majority indifferent.

TABLE I

HOW STATE EDUCATION SPENDING IS SHARED OUT

in (uncut) budget for 1976-77

		%	£m.
COMPULSORY EDUCATION	Primary schools	24	1,392
	Secondary schools	32	1,856
VOLUNTARY EDUCATION	Nursery	3	174
	Age 16-18	14	812
	Higher education below degree level	7	406
	Higher education to bachelor-degree level	16	928
	Higher education post-graduate	4	232
		100	5,800

At 1975 survey prices

TABLE II

"FIXED" AND "VARIABLE" ELEMENTS OF SPENDING

In (uncut) budget for 1976-77

	%	£m.
Needed to maintain existing provision and cope with movements of population	85	4,930
To provide for extra numbers in voluntary education	8	464
"Improvements" in building	3	174
"Improvements" in staffing	2	116
Other "improvements"	2	116
	100	5,800

At 1975 survey prices

Economic logic, being concerned with education-the-practice, must surely conclude that the system is a prime candidate for cutting. The greater part of its activity is no longer thought to produce any return on investment by way of promoting economic growth. The U.K. education system is also the second biggest item of public financing with a notional budget for 1976-77 of more than £5.8bn., at 1975 survey prices. Cash budgeting, however desirable, is still little more than an academic question in the Department of Education and Science. Although the cash control advocates' diagnosis of the inflation-blindness of "funny money" procedures seems to be accepted almost as conventional wisdom in the Department — as in Whitehall generally—moving from diagnosis to effective remedy is a highly complicated problem for the educational managers, and I doubt that the process of application has yet passed beyond the exploratory stage. Consequently, the latest "funny money" is all there is to work with.

Symbolic steps

Political logic, however, is more concerned with education-the-ideal. Many supporters of the Labour Movement, particularly, view increases in spending on the education system as symbolic steps towards the just society, a faith evidently too strong to be shaken by the mounting evidence that educational expansion has been a middle-class benefit. This makes *a retreat especially difficult for* the present Government. But politicians of all parties have continually sold the system to the public as education-the-ideal as "the key to your children's future." Large numbers of articulate and uncommitted voters have accepted it as such, and the politicians are trapped by this. Admittedly the parties have not remained hopeful of winning significant support by promising further large extensions to State education. But judged by recent election campaigns, they are still fearful of losing vital votes if they propose any curtailment.

Now that cuts are unavoidable and are being considered, this indicates that the political strategy must be to achieve the stipulated economies by forgoing scheduled improvements, not by taking away any provision which is already there. Within this strategy, however, some sectors will inevitably be protected more than others. Mr. Fred Mulley, two weeks into the job of Secretary for Education and Science, has already made it plain that protection will be given to the compulsory sectors, currently covering the age groups from five to 16. It would seem wise also if he were to make provision for the 16 to 18 groups.

Terry Kirk

Mr. Fred Mulley, the new Secretary for Education, has made it plain that the compulsory sectors will be protected.

The various sectors are denoted in the first of the tables: but a warning is necessary. The figures in both tables are not official. Since the 1975 White Paper on public expenditure has long been overtaken by inflationary events, I have informally calculated what I think is a reasonable approximation of the uncut budget for 1976-77, as expressed in 1975 survey prices. My figures include both capital and current expenditure. But they cover only those activities within the responsibility of the Department of Education and Science. Basically, these are the whole of the State provision in England and Wales plus the universities and some arts and science activities in Scotland. Corresponding figures not being calculable, expenditure on Scotland's schools and colleges and on Northern Ireland's whole system have been left out of account.

Assuming that this is the sort of budget that the Department of Education and Science is now looking at, the Government will be expecting a reduction of the total to around £5.7bn. (Beyond that, my best guess is that present strategy would be to hold the total at about the same level for 1977-78 and perhaps cut it further to around £5.5bn. for 1978-79).

The first table shows that the search for the required 1976-77 economies of about £90m. is restricted by the inviolable statutory sectors of compulsory schooling and the possible protection of the 16-18 sector. Together these take 70 per cent. of the total off the chopping block.

At first sight, the remaining relatively unprotected sectors representing around £1.7bn. may seem still to be a comfortably large target. But the political pressure to preserve as far as possible the existing provision of all types of education cramps the position considerably more.

As the second table shows, maintaining what exists would take up 85 per cent. of the budget, leaving only £870m. of the total. Much of this, however, is proof against cutting. The word "improvements" in the table has been put in inverted commas because while these three items of spending would notionally better the existing standards of provision, a fair proportion of each is beyond reach of the knife. For example, in areas of declining population, as school rolls fall the space per pupil increases unavoidably; this is one of the factors in the "improvements" in building.

Nevertheless, the cuttable margin left looks sufficient to allow economies of about £90m. in the budget for 1976-77, and perhaps of £200m.-plus in the comparable notional total of around £5.9bn. for 1977-78, without departing from the strategy of "forgoing improvements."

If the statutory sectors of schooling are to be protected, the compulsory school-leaving age could not be lowered again to 15 no matter how strongly teachers and others might wish it. Even so, there is no reason why the staffing of these sectors should be increased from its present total. Already there is one schoolteacher for every 20.5 pupils in England and Wales which, given some means of distributing the teachers more fairly among the schools, would make debilitatingly large classes unnecessary. If this 1:20.5 ratio were held constant, there would be a saving against the budget of around £20m. in 1976-77, and of £40m. in 1977-78. Building work, too, need not extend beyond the statutory provision of places for children within reach of their homes. If the programme for improving or replacing *old* buildings were abandoned, the saving would be around £15m. next year, and £35m. the year after.

If the voluntary sector of nursery schooling for children under five were frozen at the current year's number of pupils, there would be a saving of £20m. next year, and of £40m. in 1977-78.

In the unprotected higher educational sector, there are already some 500,000 full-time and sandwich students at universities and polytechnics. If this number were held constant, there would be successive savings of around £25m. and £80m. By keeping the ratio of teachers to pupils in higher education at the current 1:8, the budgets would be reduced by £5m. and by £20m.

Thus, without straying into complicated measures, the notional totals for the next two years could be reduced respectively by roughly £85m. and £215m.

For anyone not hemmed in by political and professional pressures, however, the search for economies could go a lot further.

Lowering the compulsory school-leaving age, although doing nothing to discourage 15-year-olds who so wished from staying on at school, immediately suggests itself. At present there are about 730,000 15-year old pupils in England and Wales, and their annual cost per head is about £380. The saving which would be made by this much-advocated step cannot adequately be estimated since it would depend on what numbers chose to stay on, and to what extent the teachers already engaged to cover the extra school year could be redeployed without increasing the total staffing cost. But the economy would be considerable.

The overall staffing ratio of one schoolteacher to every 20.5 pupils could also be viewed as unduly generous for a country in our economic position. If, mainly by the operation of the normally high wastage rate among women teachers, the ratio were allowed to slip by about 15 per cent. to 1:23.75, the saving would be in the region of £250m. The possibility of "worsening" the far more favourable staff:student ratio in higher education tends to be avoided by officialdom. Any suggestion of making lecturers redundant would cause a nasty fuss in influential quarters and, since many lecturing staff have life-tenure of their posts, the question of compensatory payment would be difficult. Any Government which could be expected to grasp this nettle in the early future would be a desperate or otherwise undesirable one.

But another possible economy which should surely be considered is the general subsidy to school meals. Those which are supplied free of charge to pupils whose parents demonstrate the need, at present cost about £25m. a year. Apart from this, however, there is a general subsidy which enables the standard cost of a school dinner to remain at 15p — a subsidy which in England and Wales totals around £260m. a year. Full economic pricing, even if accompanied by an increased take-up of free meals, would save approaching £250m.

The costs of administering the State education system are extremely small by comparison with the pay-bill for teachers. Yet if this cost were reduced by 7.5 per cent., it would add about £15m. more to the total notional saving.

Political will

My conclusion is that, given enough of that problematic quality "political will," a Government could find ways of cutting around £1bn. from scheduled expenditure on the State system without seriously damaging the present standards of provision to the consumer.

There remains, of course, the problem of ensuring that the budgetary economies would be matched by corresponding savings in cash. I feel sure that within the Department of Education and Science the balance of opinion would be that the best way to tackle this problem would be to leave cash-ceiling controls to the longer term, and find swifter ways by which central government could more strictly supervise the local authorities who actually spend the money. Even though this would mean a regrettable restriction of local democracy, officials argue, an economic emergency would justify such a measure, at least temporarily until more sophisticated controls become practicable.

Letters to the Editor

Social contract

From Mr. A. D. Neate

Sir,—There appears to be a feeling of helplessness in dealing with the present rate of inflation. Clearly social contract Mark I has failed because the big unions have not kept to their side of the agreement with the Labour Party and the TUC. This must be heartbreaking for Michael Foot and others who really believed that a Labour Government pursuing socialist policies, would be entitled to expect the social contract to be honoured.

The two main political parties are opposed to a statutory wages policy because of its many anomalies, but there is also a strongly held view that a social contract Mark 2 will be doomed to failure because industrial action will enable a major union to break it, that is a miners' strike bringing the country to a standstill.

So what can be done? I offer the following. Suppose a social contract Mark 2 is produced and agreed by the Government, the CBI, the TUC and approved by Parliament and this contract is to be enforced by a vetting body. Let us then suppose, for example that the power engineers decide to step out of line and if opposed decide to strike. It is not possible to make the strike illegal as everyone has the right to withdraw his or her labour. But there is no reason to provide those who opt out of a democratic decision to have a social contract with the means to enjoy a comfortable living.

This confrontation, if the strike is proceeded with, differs from that of 1973-74 in that there will be no sympathy from organised labour as was the case with the miners. The Government must then take Emergency Powers to withdraw from the strikers: All social security benefits—unemployment pay etc.; the payment of income tax rebates; the payment of strike pay; any other social and economic sanctions considered appropriate.

These proposals may seem drastic but if we really are threatened with economic and national disaster are they not justified? It is not a case of starving people into accepting unfair wages but applying pressure to ensure acceptance, with the majority of the people, of an orderly rate of progress.

There is no doubt, in my opinion, that the national cake requires radical re-distribution and that, for example, coal face workers are entitled to very high pay, but this must wait until inflation is mastered and the Royal Commission has reported.

A. D. Neate.
54, Links Lane,
Rowlands Castle, Hants.

Flat rate increase

From Mr. E. Barlow

Sir,—If a flat rate increase is to be established, it should not be based on average earnings as this would add to the inflationary fire. Thus, if the average earnings figure is £55 per week, a rate for a normal (for example, 40-hour) week should be computed. If the average working week is 45 hours, we could have an average normal weekly wage of £46 or £47.

At £47 a 15 per cent. increase would give a pay rise of just over £7 per week. To those lower down the national pay league who, on social grounds, are in need of the greatest consideration, a £7 per week increase would be 17.5 per cent. (at £40) and 20 per cent. (at £35).

But flat rate increases do distort pay relationships and do give rise to industrial relations problems. Moreover, although there is general acceptance that the lower paid should get more, there is no consensus that differentials should be narrowed. If, as a nation, we intend to set out to change attitudes regarding pay relationships, let us at least recognise that it will not be achieved by short term exhortation and by use of a tool called the social wage. It is a longer term project and will require, inter alia, an independent national body to do the research etc. With the present rate of inflation, however, the might is right philosophy will continue to prevail over rational appraisals.

As there is no consensus on the narrowing of differentials, then the next round of pay settlements will also have to take this into reckoning. Consideration therefore could be given to a formula which gives a flat rate increase of £7 per week plus, say, 3 per cent. of normal earnings (before the £7 increase) subject to a maximum of 15 per cent. (except in those cases where the flat rate increase is more than 15 per cent.) Thus, we should get the following pattern of increases:

Normal weekly pay £35 =	increase £7=20 per cent.
" " " £40 =	" £7=17.5 per cent.
" " " £60 =	" £7 plus £1.80=£8.80=14.66 per cent.
" " " £100 =	" £7 plus £3=£10=10 per cent.
" " " £200 =	" £7 plus £6=£13=6.5 per cent.

Within such a framework it should be possible to "work in" a revised TUC minimum rate for a normal working week.

Any settlement must last for 12 months and should not be indexed; for if the inflation is, in large measure, caused by pay increases, there is just no point in kicking up a dust and then complaining that you cannot see. A final point and one which will be crucial in the coming wage cycle, is that there should be no exceptions, no special cases.

E. A. Barlow.
66, Cottage Lane,
Ormskirk, Lancs.

Selling short

From Mr. H. Benjamin

Sir,—In a month with entertainment as varied as Ascot, the Prudential Cup, Wimbledon and TUC ideas of an incomes policy, short selling of shares is rather dry stuff. However, perhaps I may reply to Mr. Hugh Manners (June 23).

Last year, as prices month after month plumbed new lows, there was much kicking of the barometer and the Stock Exchange came in for considerable abuse, much of it from sources which did not have the capitalist system engraved on their hearts. Among a variety of subjects much ill-informed criticism of bear selling was heard. Clearly, Mr. Manners' objection is simply that it depresses prices.

In most financial markets such as currencies and commodities forward dealings are a vital part of the system. Not so the Stock Market. Jobbers, however, must be permitted to sell short if our present system is to operate at all. Option dealings too may involve selling short. What benefit would there be in banning short sales from any other source? Every short sale demands a subsequent re-purchase and it is the latter which in general is the greater market influence, since the successful bear will base his re-purchase solely on the level of prices whereas investors generally will be concerning themselves with fundamentals; thus it is that the bear tends to support the market when buyers are most needed.

Many firms of brokers will not permit short sales. Their motive is not however to protect investors from the operations of the type of villain envisaged by your correspondent, but because they know from experience the high degree of risk involved in a bear operation—there is, after all, no limit to the amount of the loss as there is for a bull. If Mr. Manners is lucky enough to be able to lay hands on a very old broker, there are one or two blood-curdling pre-war tales to hear.

Perhaps Mr. Manners can provide some evidence for his statement that "last time round there were many thousands of victims of short sellers" if not indeed of his "very small group of speculators encouraged by brokers in urgent need of a bit of commission." In the meantime I will continue to believe that there is no greater need to ban a person selling shares he does not possess with a view to re-purchasing at a profit within a short period than buying shares he does not intend to pay for with a view to re-selling at a profit within a short period. Both are largely speculative transactions. As is gambling on horses, greyhounds, football pools, bingo and the raffle at my village fete.

H. L. Benjamin
The Stock Exchange, EC2.

Pensions

From Mr. G. Lipschitz.

Sir,—We are concerned in case Mr. Layborn's letter (June 23) causes employers to look unfavourably on proposals to contract out of the proposed state pension scheme on financial grounds as in his arithmetic he has left out certain important considerations, including the 7 per cent. state rebate. Taking all these factors into consideration, in the case he has quoted, on reasonable actuarial assumptions, I estimate that the "on" cost for preservation of benefit at the time of leaving service is £140 and spread over the 12 years of service we are talking about something less than £12 a year extra cost to meet the new requirements in the Bill.

G. Lipschitz,
Sedgwick Forbes Employee Benefits Consultants.
Sedgwick Forbes House,
33 Aldgate High Street,
EC3.

SAYE red form

From J. L. Wales.

Sir,—Allow me a few lines to provide J. P. Mosse (June 26) with further information obtained by my own experience. I was provided with a green form at the Post Office which only seemed to permit payment for index-linked SAYE through a National Giro account.

After making numerous inquiries, however, the Trustee Savings Bank in Manchester provided me with a red form, similar in all respects to the green one except that it allows payment by banker's order.

I hope this information will enable others to avoid one of the snares and pitfalls (not deliberate, I hope!) to prevent one from saving in this inflationary age.

J. L. Wales.
Ashlands,
8, Dinting Road,
Glossop, Derbyshire.

MPs pay

From Mr. T. Sharpe

Sir,—To hold MPs responsible for the current rate of inflation as Mr. Macpherson (June 21) suggests is as intelligent as blaming meteorologists for poor weather. If this gentleman seriously believes that MPs possess either the knowledge or the power to control inflation he is under a serious delusion as to the complexities of the economic situation. Indeed, if as individuals, we wish to pass the buck, it is the Government we must rebuke for its contribution to the current crisis, not the legislature.

Few groups in the community have suffered more from inflation than MPs. Putting his prejudices aside your correspondent will surely acknowledge that if *all* of us had received our last salary increase in January 1972 the present troubles would be rather less pressing. Doubtless unwittingly MPs have given precisely the lead of which Mr. Macpherson wrote—and to no avail.

I find it difficult to see how impoverishing our legislators will improve our economic performance one jot. Many MPs are suffering acute financial hardship. To pay MPs rather less than a junior civil servant will not guarantee the freedom from financial corruption we have come to expect or the vigilance and dedication that the job requires. We have our opportunity to change MPs if we think them inadequate but once elected they have a right to a reasonable standard of living and the resources to do their job properly. Their pay ought to be linked to a middle ranking civil servant and change accordingly. It should not be subject to the humiliating cavilling and misunderstandings of your correspondents.

Thomas Sharpe.
36, Rochester Close,
Rochester Gardens,
Hove, Sussex.

For the first time, there is serious talk of another four years in power for Nixon's successor. **Paul Lewis reports from Washington**

The remaking of President Ford

QUITE SUDDENLY, President Ford's political fortunes have taken a turn for the better. His ratings in the polls have improved dramatically, his manner is more self-assured and his Congressional opponents seem in disarray. White House morale is on the rise and for the first time since he took office ten months ago there is serious talk of another four years in power for Mr. Richard Nixon's successor, if he finally agrees to contest next year's Presidential election.

This is quite a change when, only a few weeks ago, there was no less open talk of denying Mr. Ford his Party's nomination in 1976 and Republican leaders were despondent about the future. To-day there is not much doubt the President can have the nomination if he wants it (as he says he does, though his formal candidature has yet to be announced). Meanwhile, Mr. Ronald Reagan's hopes of capturing the Party for the right look less realisable, though the conservatives still have their knives out for Vice-President Nelson Rockefeller.

Battle

Much of the revival in President Ford's fortunes reflects the changing tide of battle in his running fight with Congress, and its mighty Democratic majority. As the Administration's opponents make fools of themselves, the President gains stature—and, to an important extent, this is what has been happening. When the Democrats came back in droves in the autumn of 1974 after ex-President Nixon's downfall, they vowed to introduce a period of Congressional Government. The elected representatives of the people abused by Mr. Nixon would now take the reins of power from his unelected successor.

But it has not worked out like that. There was talk of the 94th Congress, with its big intake of liberal freshmen, passing its own economic measures to end the recession, finding a humane answer to the energy crisis, and ending U.S. involvement in Vietnam and then ensuring that an arrogant Executive did not drag the country into any more foreign-policy disasters. Taxes were duly cut and budget deficits voted, Indo-China was denied and the Congress began to push its fingers into Dr. Henry Kissinger's pies, particularly the one called Cyprus.

Then the balance of advantage shifted. When the President decided the deficit was big enough he began vetoing spending bills at a rate undreamed of by his predecessor, and it emerged that there were still enough fiscal conservatives in the Legislature to deny the liberals the two-thirds majority they needed to overrule him. Next the Legislature simply gave up its hopes of ever agreeing on a worthwhile energy conservation programme and decided the President could shoulder the odium of having to force the public to curb its wasteful habits.

Finally, as the Communists swiftly overran Indo-China, the Congress decided it would not be saddled with responsibility for a world-wide American retreat. So it hastily set about reassuring other allies—the Pentagon got its budget, including a heap of hardware once anathema to the liberals: Senator Mike Mansfield abandoned his efforts to pull troops out of Europe; President Ford can go round threatening to use nuclear weapons in South Korea without anyone's protesting; and such pinpricks as the Turkish arms embargo are increasingly regretted by many of their erstwhile supporters.

With a dramatic improvement in the opinion poll ratings, the President (left) now seems far more self-assured in manner, while Senator Mike Mansfield (right) has had to abandon his efforts to pull troops out of Europe.

Concommitant with these victories over the Democrats in Congress, the President's popularity has started to rise. For months, the polls showed he would be easily vanquished next year by Senator Edward Kennedy, if only he could be persuaded to run. But in June, for the first time, the President pulled ahead of his most serious rival. At the same time, the Gallup Poll suggested that his personal popularity had climbed an unprecedented 11 per cent. between March and May, and that 51 per cent. of the population now believed him to be doing a good job in the White House.

But, while some of the explanation lies in the struggle with the Legislature, this is not the whole story. The passage of time, for one thing, has made the President look and feel more self-confident about the office he holds. It has also helped people forget about the controversies of the past—the Nixon pardon, for instance, and his strange about-turn on economic policy, from advocating a tax increase to calling for reductions.

A third factor has been the Mayaguez affair and the NATO summit. There is no doubt that sending in the marines to recapture the Mayaguez was intensely popular with the nation at large, and it was remarkable to see how Congressional liberals immediately perceived this and kept their mouths tightly closed. Similarly, the European trip got the President considerable press exposure and reinforced the general feeling in the country that he had finally discovered how to act and lead effectively.

But what of the future? The election is still a year and a half away and adventures in Cambodia and Brussels will also fade with time. President Ford may have made up the disadvantages with which he came into office, but this does not mean that he is a viable candidate for re-election next year. Of course, it is early yet to make any worthwhile predictions. But it is still possible to draw up a rough balance sheet now, which suggests that President Ford could become a much more serious threat to the Democrats next year than they ever imagined when he came into office.

Basically, the case for saying President Ford will lose next year revolves around four propositions—that a Republican will not be acceptable again for a long time to come: that President Ford will never develop a convincing "Presidential" character and mien: that he can never be forgiven for the recession: and that his current veto victories over Congress will be seen later on as votes against jobs and welfare. There is something in all these arguments, but they do not yet seem overwhelming.

Recession

It is economic policy which most people regard as the President's most vulnerable point. Similarly it was believed that Richard Nixon would lose in 1972 on account of the recession. But while the nomination of George McGovern to oppose him was undoubtedly a major help, the Republican victory in that year also suggested that it is the trend of the economy rather than its absolute level of performance which matters most. If this is true, then the rather slower than expected recovery which seems likely this year could mean that the crest of the wave will come next year and be perfectly timed for the election.

Undoubtedly, Mr. Nixon has left the Republican Party's fortunes at a low ebb, but to some extent President Ford's personal honesty and his manifestly "unpresidential" style must compensate for his party label—and it is also important to remember that the trend in American Presidential elections has been away from party-line voting for some time. Finally, of course, the Democrats must find themselves a candidate—and it is hard to believe that any of the contestants so far declared have much of an edge over the incumbent.

LABOUR NEWS

NALGO delegates accept 25% rise

BY CHRISTIAN TYLER, LABOUR STAFF

WARNINGS of a pay clampdown helped persuade delegates representing the bulk of 500,000 local government white-collar workers yesterday to accept a pay rise averaging some 25 per cent.

About 1,000 delegates of the National and Local Government Officers Association meeting in London voted overwhelmingly to accept the deal, described by employers as "well within the social contract."

They also rejected a call for a strike ballot which could have led to a programme of accelerating action designed to cripple local authority administration.

Yesterday's vote removes the last big strike threat in the public sector arising from the present wage round.

NALGO's chief negotiator, Mr. Fred Jex, said it would be "about the worst possible time" to pick for industrial action.

"We are going into a new era in July. There will be pronouncements, and the TUC has said it will co-operate."

He urged delegates to accept the offer, payable from next Tuesday, even though it was being recommended "reluctantly."

NALGO had claimed £10 a week, plus 15 per cent., estimated to add 35 per cent. to the pay bill. It had also sought ongoing cost-of-living protection.

The agreement will raise the salary of the highest paid from £6,198 (including £127 a year of threshold) to £7,407 and of the lowest from £1,119 including threshold to £1,215.

Employers' negotiators have still to calculate the exact cost of the agreement on a pay bill of at least £1,000m. a year. But the offer closely followed the May-to-May increase in prices as measured by the Retail Prices Index.

BL averts mass lay-offs by settling three disputes

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

SETTLEMENT OF three out of four actual or threatened pay strikes in the past two days has saved British Leyland from widespread lay-offs in its car division.

The outstanding, unofficial strike is at Alford and Alder, a components subsidiary at Hemel Hempstead, where 800 workers have been out for a fortnight over a demand for an immediate £10 a week, although their wage contract does not expire until September. The management has made no offer and the dispute is outside the negotiating procedure.

The strike has stopped Triumph small car output at Coventry and Liverpool and made 2,775 idle.

Acceptance by 10,000 Rover employees yesterday of an improved offer removed a second threat of strike action. The previous day 8,000 Triumph employees also being integrated into the Rover-Triumph organisation agreed a similar package.

The Rover employees at nine factories were out for three days last week and had threatened to renew their strike yesterday, failing an agreement. This now provides the same increase of £6.50 a week as for Triumph, bringing the top production grade to £61.70.

In addition, a £60 lump sum payment covers retrospective payments. There are also improved holiday and premium rates, extra paid lay-off days and a sick and industrial injury scheme is being introduced.

About 475 workers at British Leyland's Llanelli Pressings factory which supplies Austin Morris with several key items also decided yesterday to call off their week-long strike in order to put their pay claim back into procedure. They are returning on Monday.

Jack Jones urges curbs on foreign car imports

BY OUR LABOUR CORRESPONDENT

MR. JACK JONES, general secretary of the Transport and General Workers Union, yesterday added his voice to the growing union call for selective controls on foreign car imports.

Addressing a conference of the TGWU's automotive group, Mr. Jones said that to give the motor industry the opportunity to get back to a position of full capacity operation, "we must seek limited and temporary import controls which will give our manufacturers the necessary home market base."

If such measures were to be effective, management would have to develop a much greater degree of effectiveness in forward planning and accept the valid role of the trade union movement in this necessary planning.

But he warned that none of these measures was likely to be effective while we are caught in a wave of 25 per cent. inflation.

Supporting his idea of common flat rate payments for all, Mr. Jones said such a policy had the twin advantage of simplicity and social justice.

"We must break the circle and get back to a position in which unions and employers can plan with some confidence—instead of running in the fear of ever-worsening inflation."

HOSPITAL STAFF STRIKE STILL ON

Ancillary workers at Morriston Hospital, Swansea, voted yesterday to continue their strike over the alleged victimisation of a shop steward after an intervention by the Advisory Conciliation and Arbitration Service failed to solve the dispute.

Brussels commission denies Italian steel dumped in U.K.

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, June 27.

THE BRUSSELS Commission to-day gave a preliminary reply to charges by the British steel industry that Italian steel was being dumped on the U.K. market in contravention of the pricing rules of the European Coal and Steel Community.

It said that it had found that Italian steel was not involved in the particular case cited by the British producers. It was pursuing its investigation, however, in the light of other possible alleged irregularities disclosed by its inquiries.

The British industry, including both the British Steel Corporation and private producers, complained this week that Siderital—U.K. agent for Italsider, the giant nationalised Italian steel concern—had offered a range of steel products on the British market at prices well below those quoted by U.K. producers.

To-day, the Commission said that it had found that in the precise case in question Siderital had not been acting for Italsider, but had offered steel for sale that had come from an East European country and another country outside the EEC.

Rumours rife

The steel, apparently, had been shipped via Italy, but the Commission would not disclose the two countries of origin.

Investigations had shown, however, that the offer had been withdrawn before any of the steel had been sold. This meant that inquiries into the specific case cited by the British steel producers would be closed.

The Commission said that it had discovered that there had been no mention of the origin of the steel offered for sale. As a result, British producers would not have known that the steel came from outside the EEC and that they were entitled to align their prices downwards against it.

Secondly, the failure to mention the origin of the steel made it impossible to determine whether import quotas for steel from East European countries were being fully respected. On both grounds, investigations would continue to determine whether Siderital had contravened ECSC regulations.

In London, the quick reply from the Commission was welcomed by the British steel industry. Rumours of foreign steel coming into the country at cut prices have been rife and the appeal to Brussels is seen as a salutary warning.

It was the first time that the British industry had appealed under the ECSC provisions. The British Independent Steel Producers Association said: "Right or wrong, we got an answer and we got it within five days. More important, any offers that have been made have now been withdrawn."

North Sea gas deal beats tax deadline

BY ADRIAN HAMILTON

THE BRITISH Gas Corporation has signed a deal to purchase associated gas from Shell/Esso's Brent oil field North-east of the Shetlands, just in time to beat the Government's deadline of June 30 to avoid the imposition of Petroleum Revenue Tax on gas production.

The contract, announced yesterday, is for a minimum of 500m. cubic feet per day starting in 1979-80 and could increase the country's natural gas supply by as much as 10-15 per cent. at that time.

No details of the price, which will be calculated according to a set of defined indices when the gas is landed, have been given.

The indices, however, are thought to differ from other recent deals for North Sea gas, based largely on comparative oil prices. In the case of Brent they are reported to cover around 80 per cent. of supplies and take into account both U.K. cost of living movements and the price of fuel into power stations.

A final price is thus difficult to determine at this stage, although it is likely to be considerably higher (possibly four times) than the average 1.2p paid by the Corporation for gas from the southern gas fields. However, the final price may well be lower than the price paid by the Corporation for the supplies from the major Frigg field off the Shetlands, due to start production in 1977.

Together with the Frigg supplies, Brent will add a third to the country's supplies by the end of the decade but, on current indications, the average price of its natural gas supplies may double by then.

For Shell/Esso, the deal will require an investment of £500m. in the construction of a 300-mile, 36-inch gas pipeline to St. Fergus in Aberdeenshire and the installation of processing facilities at both St. Fergus and Peterhead further South along the coast.

The facilities at St. Fergus will separate the natural gas liquids from the "dry gas" in the supplies and the liquids will then be piped to Peterhead for processing and transhipment there.

British Gas, meanwhile, will have to build further terminal facilities at St. Fergus and may then need a further pipeline to take the gas to the main markets of the Midlands and North-West, parallel to the transmission facilities now under construction for Frigg. Its investment for Brent could amount to some £50m.

The Brent gas agreement comes at a time when the Corporation, whose supplies from the Southern North Sea gas fields are beginning to reach peak, is now anxious for new reserves of gas to meet the fast growing demand from industry and commerce.

Its main problem will be the marketing problem of coping with the sudden surge in supplies which will accompany the build-up of gas from Frigg and Brent during the latter part of the decade.

In initial years, this will almost certainly involve the sale of gas to major customers, such as the British Steel Corporation and possibly the power generating authorities, who are eager for more gas.

Commons to rule on miners' 'ultimatum' to MPs

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE PRIVILEGES Committee of the Commons is expected to sit early next week to consider the allegation that Mr. Arthur Scargill and the Yorkshire area council of the National Union of Miners have committed a breach of Parliamentary privilege.

Mr. Selwyn Lloyd, the Speaker, giving his ruling in the Commons yesterday, said: "I am satisfied that the matter of complaint is such that I shall permit a motion relating to it to be given precedence over the Orders of the Day."

The complaint related to a reported ultimatum that six MPs, sponsored by the NUM's Yorkshire area, should toe the line on party policy.

The ultimatum, as alleged by Mr. George Cunningham (Lab. Islington S), when he raised the issue the previous day, was contained in words spoken by Mr. Scargill, Yorkshire area president, and based on a resolution passed by the council.

After the Speaker had given his prima facie ruling, the Commons gave unanimous approval to the motion to refer the complaint to the Committee of Privileges.

Normally such a motion would be proposed by the Leader of the House. But Mr. Edward Short was not then in his customary seat on the front bench, and it was Mr. Cunningham who moved the motion.

COMPANY NEWS + COMMENT

Rediffusion sales and profit expansion

TURNOVER FOR the year to March 31, 1975, of Rediffusion increased from £83.06m. to £103.21m., and pre-tax profit advanced from £13.92m. to £14.36m., after £6.5m. (£6.19m.) for the first half.

The year's profit is struck after increased interest charges of £3.41m. (£2.01m.).

Earnings per 25p share increased from 8.01p to 8.23p, and the dividend is raised from 3.287p to 3.572p net—the maximum permitted—with a final of 2.697p. The company is controlled by British Electric Traction Company.

	1974-75 £	1973-74 £
Turnover	103,213,477	83,063,507
Trading profit	33,663,909	29,711,815
Depreciation	15,958,552	13,503,083
Contingencies provn.	1,960,409	2,026,194
Interest charges	3,412,575	2,006,782
Share associates	2,051,991	1,743,617
Profit before tax	14,364,034	13,917,393
Taxation	8,136,359	7,355,378
Net profit	6,227,675	6,562,015
Minorities loss	395,868	76,921
Extraordinary credits	66,714	*287,252
Attributable	6,890,277	6,351,654
Pref. dividend	33,600	33,600
Ordinary	2,947,154	2,712,009
Retained	3,909,523	3,606,045

* Debit.

The extraordinary items comprise increase in liabilities on bank loans in Eurocurrencies arising from exchange movement debit £1,460,000 (£630,000); loss arising from sale of assets in Malta £381,098 (nil); additional terminal costs on closure in previous year of programme service over cable in Hong Kong £178,391 (nil); amount written off arising from liquidation of subsidiary and other companies £81,167 (£169,439).

Surplus on sale of land and buildings nil (£512,157); share of surplus on sale of freehold property by an associated company £2,167,370 (nil).

● comment

There are a number of key facts to pick out of the Rediffusion preliminary statement. The depreciation charge, up by 18 per cent. over the year, is a measure of growth in rental business and progress almost matches that of Electronic Rentals (ex acquisitions), the sector leader. Interest charges meanwhile have leaped by 70 per cent., even though it seems likely that cash flow exceed the cost of new set placements; this possibly points to a cash injection into the troublesome Hong Kong interests. This view is endorsed by the increased losses in minorities and the pre-tax loss from this quarter could have approached £1¼m., which will have dragged the whole group down. Elsewhere, associated profits (principally Thames TV) have moved strongly ahead by 18 per cent. and it is confirmed that the electronics side (basically flight simulators) has surged ahead, possibly by as much as 50 per cent. in profit terms. The current year should at least get the benefit of reduced Hong Kong losses, a lower tax charge and reduced interest payments—borrowings are well down on their peak—and growth is expected to continue in rental. The 8.7 per cent. yield at 66p is covered 2.3 times.

HIGHLIGHTS

Details of the £25m. funding package by Town and City Properties have now gone out to shareholders and are discussed in the Lex column. Also commented upon by Lex are the agreed terms of Whitbread's bid for Long John, and the results from John Brown which had earlier warned of the losses incurred by Constructors John Brown and the passing of the final dividend. The Rediffusion results emerge as pre-tax profits a shade higher after heavier charges for interest and depreciation, while in the brewery sector Vaux has put up a good performance. But Scapa Group's higher profits take in a second-half downturn and the statement warns that the paper trade's recession must affect the 1975-76 result.

Paper recession hits Scapa

GROUP TURNOVER for the year to March 31, 1975 of Scapa Group rose from £25m. to £30.54m., and pre-tax profit increased from £4.5m. to £5.53m. after a sharp expansion from £1.77m. to £3.1m. in the first half.

When reporting on the midway upsurge the directors considered that the rate of profit should be maintained in the second half.

They explain that activity was maintained at a high level until the beginning of 1975 when the effects of the recession in the paper and board making industries made themselves sharply felt on a large part of the group's operations.

The duration of the recession remains uncertain but profits for 1975-76 must inevitably be affected as compared with the record performance achieved for 1974-75.

But they are confident that, in view of its widely spread interests, the company will obtain early benefit from any upturn in economic activity whether in Europe or North America.

Earnings per 25p share increased from 12.5p to 15.1p and the dividend is lifted from 3.36p to 3.649p net with a final of 1.949p.

	1974-75	1973-74
Group turnover	30,544,776	25,002,606
Profit before tax	5,531,181	4,497,512
Net profit	2,888,032	2,384,608
U.K. Tax	1,610,772	1,277,578
Overseas Tax	1,032,377	835,326
Minority interests	96,321	64,515
Attributable	2,861,511	2,320,090
Dividends	677,151	623,521

● comment

Although Scapa Group's 1974-75 figures show a 23 per cent. rise in the pre-tax level, this conceals a downturn of 11 per cent. in the second half contribution, and in view of the group's heavy dependence on the depressed paper industry (to the extent of 75 per cent. of sales) a more substantial profits fall looks inevitable in the current year. In the first five months of 1975 paper production in the U.K. fell by 22.9 per cent. and the recession, which is now world-wide, is showing no signs yet of recovery. The group's short-term liquidity position has apparently improved and the decision to invest about £1m. —via increased long-term debt— in modernisation suggests that hopes for an improvement in business beyond the current year are fairly high. At 57p the shares are yielding 10.2 per cent.

Lookers ahead in first six months

Motor vehicle distributors and engineers, Lookers, announces pre-tax profits up from £226,589 to £311,440 for the half year to March 31, 1975, on turnover up by £1.04m. to £11.15m.

Interim dividend is being held at 0.75p net. For the full year to September 30, 1974, dividends totalled 2p net. paid on pre-tax profit of £482,293.

The directors report that the company has continued to trade at an acceptable level in the second half, but recent wage awards and increasing costs throw a heavy burden on the company in the present economic climate. They make no forecast for the year.

	Half year 1974-75 £	1973-74 £
Turnover	11,150,449	10,106,323
Pre-tax profit	311,440	226,589
Tax	161,950	117,826
Net profit	149,490	108,763
Surplus on disposal of properties	100,439	29,988

No provision has been made for corporation tax on the chargeable gain on the disposal of properties.

Reliant turns in £508,000 —pays 0.175p

Reliant Motor Group is returning to the dividend lists with a final of 0.175p net for the year to February 28, 1975. The last dividend paid was a net interim of the same amount for the year to October, 1973.

Pre-tax profit for the year was £508,000 after £200,000 at halfway. This compares with a loss of £814,000 in the previous four-month trading period to end-February, 1974, and with a profit of £450,000 in the 12 months to October, 1973. Turnover for the year was £21.44m., including record exports of £2.58m.

The engineering companies, Hodgkinson Bennis, Press Operations and Smiths Forgings traded well and contributed £234,000 (46 per cent.) to total profit on turnover of £3.39m., the directors state.

But the £274,000 profit — 1.5 per cent. of sales totalling £18m.—made by the motor vehicle company reflected the "very difficult circumstances" under which it was operating last year.

The current economic recession is affecting trading substantially at Reliant Motor Company and Press Operations and both are working short time. Smiths Forgings and Hodgkinson Bennis have retained satisfactory order books so far and are not similarly affected.

Plans for the addition of a four-wheeled economy car to the range of cars offered by the motor company are expected to be in operation in the second half of the present financial year and should help to offset the reduction in demand for established models, the directors say.

Reliant Motor Group is a subsidiary of the Hodge Group, which in turn is owned by Standard and Chartered Banking Group.

Bishop's Stores progress

On sales of £44.47m. group pre-tax profit of Bishop's Stores amounted to £805,000 for the 35 weeks to March 31, 1975—equivalent to about £1.2m. in a full year.

Considering the hazards faced during the period the chairman, Mr. J. H. Bradfield, feels that the profit compares well with the £1,033,000 for the previous year when turnover was £51.63m. At the 28 weeks stage profit was up from £0.29m. to £0.61m.

Earnings per 25p share for the 35 weeks were 9.41p (8.3p for year). A final dividend of 1.0947p makes a maximum permitted total of 1.2947p net (1.7543p for year).

On prospects Mr. Bradfield says further difficulty lies ahead and forecasts for the current year show a distinct slowing in progress. Some of this is due to the fact that major expenditure planned some years ago is now occurring, but this will eventually give a sound base for future years.

The violent escalation in costs is expected to continue and this has been reflected in the budgets. He also expects a steady increase in true sales volume.

The eventual outcome should be satisfactory, "particularly if we can continue the 30 per cent. sales increase registered over the first quarter of this year," he declares.

	1974-75 (35 wks) £000	1973-74 (52 wks) £000
Sales	44,474	51,635
Profit before tax	805	1,033
Taxation	317	602
Net profit	488	431
Dividends	67	89
Retained	421	342

An analysis of sales and profit shows (£000s omitted) retail £23,266 and £527; cash and carry £9,682 and £54; wholesale £11,526 and £230.

Meeting, Ruislip, July 23 at 3 p.m.

● comment

Lacking any comparable figures it is difficult to assess Bishop's performance, nevertheless the Chairman indicates a pre-tax rise of 16 per cent. One of the more noticeable figures in the accounts is the £1.8m. increase in net borrowings during the period, but the Chairman points to a reversal of the situation now and a net bank credit—an action possibly coupled with a reduction in stocks. If the 30 per cent. growth rate for the first quarter continues throughout the year, sales for 1975-76 could reach £86m., while a maintained profit margin of 1.8 per cent. indicates a pre-tax profit of a hefty £1½m. Probably, though, cost pressures and an easing in sales growth is bound to invalidate these figures before the year end. The prices of the ordinary and "A" non-voting shares have widened considerably at 122p and 54p respectively, which seems quite a differential for a vote.

Second half upturn at Vaux

A PRE-TAX profit increase of 2.5 per cent. to £3.89m. is announced by Vaux Breweries for the year to April 30, 1975. Profit in the second half advanced from £1.82m. to £2.06m.

The chairman, Mr. D. Nicholson, explains that inflation and higher taxes have meant a 30 per cent. increase in the price of beer but volume sales of beer, wines, spirits, rooms and meals in company hotels all increased. Turnover, excluding VAT, rose by 23 per cent. to £44.45m.

The company is continuing a substantial programme of modernising plant but has cut back on development of pubs and hotels, he adds.

It believes in keeping and developing its smaller breweries and there are plans to double the capacity of Wards Brewery, Sheffield.

Vaux acquired 76 per cent. of Liefmans Brewery, Belgium, during the year as a first move into Europe.

Earnings per £1 share are shown to have increased from 25p to 26.8p and the final dividend is 9.5028p net, the maximum allowed, which raises the total from 11.9058p to 12.8528p.

	1974-75 £000	1973-74 £000
Turnover‡	44,450	36,200
Trading profit	4,919	4,649
Finance charges	1,026	841
Profit before tax	3,893	3,808
Tax	1,957	2,015
Profit after tax	1,936	1,793
Minorities	5	3
Attributable	1,931	1,790
Preference dividends	125	125
Ordinary dividends	878	798
Extraordinary credits	217	389
Retained	1,145	1,256

‡ Includes duty, rents and other trading income, but excludes VAT.

● comment

In line with other regional brewers, Vaux Breweries profits performance has outshone that of the majors. Despite price increases worth about 30 per cent., costs have continued to press and trading margins have fallen by 13 per cent. to 11.1 per cent. on a 3 per cent. volume gain in beers; but a flattening of the interest charge curve in the second six months and a better performance from hotels has pushed pre-tax profits 2¼ per cent. ahead, incorporating second half growth of 14 per cent. The shares have outperformed the brewery sector so far this year and at 258p, down 2p last night, the yield differential has narrowed to only one point at 7.9 per cent., where the cover is more than twice.

Record year ahead for Percy Bilton

Results of Percy Bilton, the industrial development and investment group, in the first five months of 1975 were "most encouraging," and ahead of those in 1974 and indicated a "further record year unless there is a national economic catastrophe, and even then I should not be downhearted."

This was stated at the annual meeting by Mr. Percy Bilton, the chairman. At the meeting, he warned of the dangers of paying dividends from funds that had to be borrowed against paper valuation incorporated in capital reserves. This was not Bilton's policy, he said.

Pointing out that the company's portfolio had been valued at end 1971 and that additions, amounting to some 50 per cent. since July, 1972, had been put in at cost, Mr. Bilton remarked that an up-to-date valuation would show "a very considerable increase" in asset value.

There had, he said, been an element of misunderstanding about the percentage of future rent increases which the group secured in view of its partnership participation with institutions. He said the group would receive the whole benefit of rent increases due between 1976-79 in respect of 88.5 per cent. of the total square footage in the portfolio.

At other meetings chairmen reported as follows:—

Mr. S. Cope, of Cope Sportswear told meeting that there was a satisfactory increase in unit sales between January and June 1975.

Order books are healthy and at present the Board had no reason to be pessimistic about the second half of 1975, he added.

Mr. J. K. Hall, of Aberdeen Construction Group stated that the workload remained high and future prospects in this respect should be good in spite of increased competition.

The profits of most group companies were presently on or ahead of target and trends indicated a successful 1975.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bishop's Stores	1.09	—	0.96	1.29(a)	1.75
Chown Securities ...int.	Nil	—	0.5	—	1.41
Colmore Investments	0.35	—	0.64	0.69	1.34
Continental & Industrial 2nd int.	2.9	Aug. 8	2.25	4.5	3.65
Kleen-E-Ze	0.1	Aug. 18	—	3.48	3.73
"Lags" ...int.	Nil	—	1.31	Nil(c)	1.31
Lookers ...int.	0.75	Sept. 30	0.75	—	2
News International ...int.	3.44	—	3.44	—	6.88
Rediffusion	2.7	July 31	2.41	3.57	3.29
Reliant Motor	0.18	—	Nil(b)	0.18	Nil
Scapa Group	1.95	Aug. 9	1.89	3.65	3.36
Stait Carding	Nil	—	0.21	0.21	0.42*
Vaux Breweries	9.5	—	9.11	12.85	11.91
Wharf Mill Furnishers	0.67	Aug. 4	0.6	1.18	1.09
F. Wrighton and Sons	0.99	Sept. 3	0.98	0.99	0.98

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 35 weeks. (b) For 4 months. (c) For 9 months.

Real growth in turnover for Costain

A RISE of between 15 per cent. and 20 per cent. in real terms in the turnover of Richard Costain, the international civil engineering group, in the current year was forecast yesterday by Mr. John Sowden, the chairman, at the annual meeting in London.

And after the meeting, Mr. Sowden commented that if sterling remained weak for the rest of the year, the turnover rise might be between 25 and 50 per cent. in monetary terms.

Improvements were expected largely from overseas interests, in particular Nigeria and the Middle East. At the same time, U.K. activity was not proving as flat as some people had estimated, Mr. Sowden remarked.

The outstanding order book of the main contracting subsidiary, Costain (West Africa), in Nigeria was £50m. at end March and "we are doing extremely well there," said the chairman.

The Canadian and Australian companies were also in sound shape. In the U.K., the group's light construction business had a budgeted order book for 1976 of around £60m., broadly similar in real terms to the current year and "we have 60 per cent. of next year's figures already," said Mr. Sowden.

Lonrho's 20 per cent. holding in Costain had not yet led to any substantial benefit for the group, but hopefully it would do so in the future, said Mr. Sowden. Lonrho had given a written undertaking not to raise its holding by more than a small amount and had undertaken to retain the stake as a long-term holding.

Stait Carding loss—no final dividend

Group turnover of Stait Carding Group fell from £8.89m. to £8.04m. in the year to March 31, 1975, and the company incurred a loss before tax credit of £379,000 compared with a profit of £629,000 before tax. The deficit is attributable to the property division where the trading loss was £464,000 against a profit of £433,000.

At midway, reporting profits down from £658,000 to £116,000—after a £200,000 provision for possible future losses on property realisations, the directors hoped that, subject to any further deterioration in the property market, they would be able to maintain the 1973/4 rate of dividend.

However, due to the loss, they are unable to recommend a final dividend, leaving the 0.21p net interim to compare with the previous total equivalent to 0.4245p.

	1974-75 £000	1973-74 £000
Turnover	8,044	8,887
Trading profit	248	1,085
Motor vehicle	406	391
Property loss	464	*433
Property inv. income	306	271
Interest payable	362	407
Loan stock interest	45	49
Loss before tax	379	*629
Credit	168	†356
Loss after tax	211	*274

* Profit. † Charge.

The directors say that motor vehicle division results are at another record and property investment income reflects the benefit of the policy to establish a solid base of recurring revenue.

In the light of current conditions they have carefully considered the market value of each property and a further provision of £757,000 has been made to cover the fall in values.

Despite the loss, the group's financial base remains very sound with net assets of £2.4m. This excludes the excess over book value of the investment property portfolio. Borrowings have been reduced by a substantial amount and further reductions have been made since March 31, 1975.

The directors feel that the group is now poised for an upturn in its overall results, provided there are no further setbacks in the industries in which it is established. While little contribution is anticipated from the property division in the current year, trading continues to be good in the motor vehicle division and there should be an increased surplus from property investment income.

Advance at H J Heinz

IN THE YEAR to April 26, 1975, taxable profits of food manufacturers H. J. Heinz Company advanced from £11.97m. to £13.16m.

After tax up from £6.17m. to £6.91m., an extraordinary adjustment of £12,000 (£275,000) arising out of the disposal of assets of a subsidiary, and minorities of £13,000 against £71,000, the net profit emerges as £6.25m. compared with £6.01m.

Preference dividends absorb £51,000 (£55,000) and ordinary dividends £2.49m. (£2.45m.).

Growth prospect for UDS

MR. B. LYONS, chairman of UDS, believes that in the present difficult economic times the sector of the retail market for which the company caters will retain a level of buoyancy higher than the average.

He says inflation makes the buying public increasingly selective in its purchases and more conscious of quality and value and this can only be to the competitive advantage of the group.

The continuing object is to expand sales and profits by increasing the share of those sectors of the retail market in which the company operates.

It is difficult to make any confident prediction even in the short term about the future course of the economy or its effect upon consumer demand, but, he says, current year sales show an increase to date of 22 per cent. and on present estimates a further improvement in the year's profit is expected.

As reported on May 16 group pre-tax profit for the year to February 1, 1975, was £25.68m. (£25.49m.), and the dividend is 4.6912p (4.4868p) net.

Capital expenditure amounted to £12.3m. representing the implementation of planned expansion of various retail businesses. Year-end commitments were £6.7m.

Meeting, 22, Arlington Street,

Downturn at J & L Randall

MANUFACTURERS OF "Merit" toys and games etc., J. and L. Randall, reports a fall in pre-tax profits from £571,181 to £469,200 for the six months to March 31, 1975. Profits for the year to end-September 1974 reached £1.32m.

The directors say that since January 1 orders are down by 20.7 per cent.—an improvement on the 28.3 per cent. figure reported in April. Export orders are 36.1 per cent. down, reflecting the world wide recession and the effects of higher costs and prices.

First half profits include rents of £120,867 (£101,906) and investment income of £137,273 (£146,294). Tax takes £190,731 (£261,796) leaving £278,469 (£309,385).

Improvement at Wharf Mill Furnishers

The "considerable improvement" forecast for the second half year of Wharf Mill Furnishers has left pre-tax profit up from £112,657 to £127,834 for the year to March 31, 1975, after a first half contraction from £56,000 to £45,000.

Full year earnings are shown to be up from 3.26p to 3.95p per 10p share, and the dividend is lifted from 1.09p to 1.18p net with a final of 0.67p.

	1974-75 £	1973-74 £
Turnover	1,561,960	1,289,158
Profits before tax	127,834	112,657
Taxation	65,793	61,514
Net profit	62,041	51,143
Dividends	18,527	17,142

Continental & Industrial revenue up

Taxable revenue of the Continental and Industrial Trust advanced from £1.07m. to £1.31m. for the year ended May 31, 1975, after £514,200, against £412,000 in the first half.

Stated earnings per 25p share are up from 3.54p to 4.76p. A 2.9p net second interim dividend in lieu of final raises the total from 3.65p to 4.5p.

Net asset value is up from 136.6p to 193.2p.

	1974-75 £	1973-74 £
Total revenue	1,697,231	1,452,390
Expenses	79,902	70,390
Interest	304,728	315,644
Revenue before tax	1,313,501	1,066,356
Tax	489,045	377,510
Preference dividend	38,500	38,500
Available	805,956	650,346

EAST ASIATIC RUBBER

At the extraordinary meeting of East Asiatic Rubber Estates yesterday, a special resolution proposing a capital repayment of 2½p per share was passed by shareholders.

Results due next week

Next week's companies list includes a number of well-known market names, headed by General Electric and Rothmans International. Also due to report are Granada Group, Renold, SGB and Chubb.

Although GEC's interim profits in December showed a marginal rise in the pre-tax level to £71m., trading profits were actually lower at £56.3m. This reflected downturns, each of around 10 per cent., in two of the group's divisions, electronics and cables. Elsewhere, profits were ahead, particularly overseas, and this trend looked set to continue for the full year. So, given that deliveries on the electronics side picking up in the second six months a small increase in Thursday's full year profits to perhaps £150m. pre-tax (against £145.3m.) looks on the cards.

Rising costs and price controls in W. Germany and the U.K., combined with a patchy volume picture, working capital pressures and strikes in the U.K., all served to lower Rothman International's interim pre-tax profits by over a quarter to £14.3m. Price increases in the U.K. should have eased some of these pressures in the second half but in the absence of a sizeable price rise in Germany (some two-fifths of trading profits last year) expectations are for pre-tax profits of around £30m. on Tuesday (£27.2m. in the previous nine month period).

A fall of a quarter in the profits contribution from television contracting and a sluggish performance from Robinson Rentals (80 per cent. owned) clipped nearly £2m. off Granada's profit last year. However, although the network side continues to fall—further hit by the new levy as well as costs—television rental should pick up after last year's setback, and offset the slide elsewhere. So, the interim figures on Monday could see profits not far short of the £7.7m. pre-tax of the comparable period last year.

Renold's 26 per cent. increase in interim pre-tax profits to £6.5m. owed a great deal to buoyant overseas markets for both exports and sales by overseas subsidiaries. The calendar year-end of these latter companies (some 44 per cent. of trading profits at the half way stage) should support further growth, if at a slower rate, in the second half. At the same time a higher level of capacity utilisation in the U.K., on the back of easier material and labour supplies, should leave overall pre-tax profits at about £13m. (£10.3m.) on Wednesday.

SGB's 1973-74 profits rose from £4.9m. pre-tax to £6.5m. reflecting rapid growth by the hire side plus some loss elimination in Germany and the U.S. The outlook for the current year is less bright however. The U.K. building depression is now beginning to take effect and this seems to limit the chances of any improvement in Monday's half year figures.

A 37 per cent. jump in the overseas contribution provided the main spur to Chubb's half-time profits growth, with a rise from £2.08m. to £3.73m. pre-tax. In the U.K., profits rose by 18 per cent. Sales volume appeared to be on a fairly steady upward trend at that time, both at home and abroad, so a rise in full year profits in the region of 18 per cent. pre-tax to £8m., looks a reasonably safe bet. The figures are due on Wednesday.

On Monday, preliminary results are expected from Allied Retailers and on Tuesday full year figures are due from Brown Boveri Kent and George Kent. Wednesday sees preliminary results from A. D. International and interim figures from Gough Cooper while Redland is to report on its final results on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
AD International	Wednesday	0.7	1.433	0.775
Allied Retailers	Monday	1.4	2.68	1.6
Brown Boveri Kent	Tuesday	—	—	—†
Carclo Engineering Group	Tuesday	1.03	1.026	1.121
Chubb and Son	Wednesday	0.56	2.123	0.56
Doranakande Rubber Estates	Friday	0.173	0.737	0.168
J. Dykes (Holdings)	Friday	0.55	2.551	0.55
English Card Clothing	Wednesday	0.75	1.313	0.8
General Electric	Thursday	1.0	1.83	1.5
Halma	Wednesday	0.551	0.418	0.568
Hicking Pentecost	Wednesday	1.5	3.559	1.5
Harold Ingram	Thursday	0.9	1.32	1.1
Kinta Kellas Rubber Estates	Thursday	0.42	0.938	0.452
Lennons Group	Thursday	0.353	0.903	0.38
Magnet Joinery	Wednesday	0.785	1.785	0.848
Marshalls (Halifax)	Monday	1.03	2.873	1.005
Morgan-Grampian	Tuesday	0.873	1.141	0.966
Patent Industrial Group	Monday	—	Nil	—
Penrad Group	Friday	0.975	Nil	Nil
Property Partnerships	Monday	0.325	0.525	0.6
Ratners (Jewellers)	Monday	0.829	1.782	1.118
Redland	Thursday	0.97	1.676	1.044(b)
William Reed and Sons	Monday	Nil	1.319	Nil
Renold	Wednesday	2.1	4.391	2.3
Rothmans International	Tuesday	0.544	0.599¶	0.544
Selection Trust	Wednesday	4.375	3.470	5.0
Siebe Gorman Holdings	Tuesday	1.38	2.083	1.485
Symonds Engineering	Thursday	0.263	0.672	0.263
Tex Abrasives	Tuesday	0.525	1.96	0.65
Ultra Electronic Holdings	Thursday	—	0.838	—
Walker and Staff Holdings	Friday	—	0.4	—
R. Kelvin Watson	Wednesday	2.1	2.915	2.5
Weston-Evans (Holdings)	Tuesday	0.858	1.395	0.821
Zinc Alloy Rust-Proofing	Tuesday	0.175	0.2	0.175

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
INTERIM DIVIDENDS				
Baker's Household Stores (Leeds)	Wednesday	0.294	0.353	
W. W. Ball and Sons	Monday	0.692	0.71	
Barranquilla Investments	Monday	8.97	14.774	
Bett Brothers	Wednesday	1.064	1.532	
Brentnall Beard (Holdings)	Thursday	1.206	1.719	
Cronite Group	Monday	0.754	1.508	
Flexello Castors and Wheels	Thursday	0.793	1.317	
Gough Cooper	Wednesday	2.01	3.35	
Granada Group	Monday	1.188	1.023	
Howard Machinery	Thursday	0.85	1.08	
A. E. Jenks and Cattell	Wednesday	0.525	0.852	
Malt Securities	Monday	0.303	0.2	
Silentbloc Holdings	Thursday	0.536	0.964	
McCleery L'Amie Group	Monday	0.754	0.921‡	
M and G Dual Trust	Wednesday	3.5	4.8(a)	
J. F. Nash Securities	Friday	1.75	2.2	
Robinson Rentals (Holdings)	Monday	1.935	2.023	
SGB Group	Monday	1.8	2.207	
Vectis Stone	Monday	0.435	0.678	
Winterbottom Trust	Tuesday	1.375	1.75	
INTERIM FIGURES ONLY				
Bond Street Fabrics	Tuesday			
Capital and County Laundries	Monday			
Harris Lebus	Friday			
J. and H. B. Jackson	Monday			

* Dividends shown net, pence per share, and adjusted for any intervening scrip issue. † Formerly BBC Brown, Boveri and Co. and George Kent—introduced in December, 1974. ‡ Second interim. § Forecast 1.064p total. ¶ For nine months. (a) Declaration of dividend only. (b) Forecast 4.371p gross total together with audited figures.

UNIT TRUSTS

Gartmore High Income offer

The Gartmore High Income fund is on offer from Gartmore Fund Managers this week with a minimum application requirement of £200. The fund is invested 85.7 per cent. in equities; 13.3 per cent. in Preference shares; and 1.0 per cent. in cash. The yield of the fund is 12.2 per cent. on an estimated current gross basis. Gartmore is backed by an investment trust group with £350m. under management.

● comment

The main appeal of the Gartmore High Income is for people who want a higher income than can normally be obtained—and the yield appears to fit the bill. There is a proportion of Preference shares which offer little chance of capital appreciation or indeed a growing income. But the bulk of the portfolio is in equity recovery stocks, and this is where future capital growth is reckoned to come from.

Prospectus, Page 8

CRESCENT INTNL.

Crescent Unit Trusts Managers is offering the Crescent International Fund this week-end. The fund is heavily invested in the U.S., Japan and Europe and the manager's aim is to make the fund flexible enough to take advantage of world market trends. The minimum investment is £250 and investment on a regular basis can be made through the life assurance scheme —Crescent International Plan.

● comment

It is good investment strategy to spread one's investments and this can be extended to a geographical distribution. The Crescent International Fund offers investors a vehicle to carry out this spread. The fund has a good spread world-wide and has outperformed the U.K. equity market since its start, rising 64 per cent. compared with 6 per cent. by the FT All-Share index.

Prospectus, Page 19

TARGET INTNL.

"Aim for growth now" is the message of this week's offer from the Target International Fund, which points out the advantage of investing one's capital on a world-wide basis during times of economic difficulty for the U.K. The minimum initial holding is £200 and a share exchange scheme is available. The geographical spread of the portfolio is Australia (20 per cent.); Canada (8 per cent.); Europe (28 per cent.); Far East (5 per cent.); North America (38 per cent.) and South Africa (1 per cent.). The fund has dollar loan facilities.

● comment

The Target International Fund is another of the funds offering an international spread of investments and the same arguments apply for a prospective purchaser. Target has a larger percentage in Australia than many of the others.

Prospectus, Page 19

AMERICAN 'PIMS'

Schlesingers Trust Managers is advertising the American "PIMS" service this week-end, recommending that investors should put 2 per cent. of their capital in the U.S., using the Trident American Growth Fund as the vehicle. The fund has the benefit of back-to-back loan facilities and the managers are optimistic of the performance of Wall Street relative to Europe. The "PIMS" service is designed for the large investor with amounts ranging from £4,000 upwards and includes detailed bi-monthly reports, portfolio valuations and regular meetings with investment managers.

● comment

The managers of the Schlesinger American "PIMS" consider that investors should have a significant stake in the U.S. market since this offers better prospects than Europe especially the U.K. This view has been supported by the comparative movements of the Dow Jones and the FT 30-share over the past two or three weeks. The recommendation is to invest in the U.S. market using the Trident American Growth Fund which in addition to providing professional management avoids the high risk investment of the dollar premium by using back-to-back loan facilities.

Prospectus, Page 26

Tyndall Assured Savings

Tyndall Assurance is advertising the Tyndall Assured Savings Plan this week-end, offering investors a regular savings plan with life assurance benefits. The plan invests a high proportion of the premiums in units using the Tyndall International Earnings Fund as investment vehicle. The death cover is 180 times the monthly premium and the contract is open-ended. Minimum investment is £10 per month and the premiums qualify for the life assurance tax relief of 17½ per cent.

● comment

The Tyndall Assured Savings Plan offers investors the opportunity to invest on a regular basis in one of the most successful of the internationally flavoured trusts —the Tyndall International Earnings Fund. The plan also provides investors with the added advantages of a high level of death cover and tax relief on the outlay. The fund has concentrated on carefully chosen U.K.-based companies which derive a substantial part of their earnings from exports and overseas operations. This formula has been mooted by several investment managers and its success is shown in the performance of the trust.

Prospectus, Page 17

S & P TRUSTS

The Save and Prosper Group is advertising its range of unit trusts this week-end as a simple and straightforward way for investors to use as vehicles for the equity portion of their portfolio. The funds on offer can be divided into those with broadly based portfolios subdivided into world-wide investment and income trusts and funds with specialised portfolios divided into geographical areas and major investment sectors. There is a share exchange scheme available.

● comment

Managing an equity portfolio in these times with the market rising and falling rapidly can be a full time job if the best results are to be obtained. The investor who wishes to hold equities in his portfolio is offered the whole range of trusts in the Save and Prosper stable to use as the equity investment vehicle. This does offer a very comprehensive range to choose from, but the investor is still left with making the crucial choice—which sectors of the market to go for. However, he is saved the chore of managing the portfolio.

Prospectus, Page 3

CANLIFE FUNDS

Canada Life Unit Trust Managers is advertising the Canlife General and the Canlife Income funds this week-end. The minimum initial purchase for either fund is £250 and the initial charge is 5 per cent. together with ½ per cent. (plus VAT) annual fee. The estimated gross yields are 4.59 per cent. and 8.85 per cent. respectively and the trusts are backed by the investment management of Canada Life Assurance which currently manages funds of £600m. for ½m. people.

● comment

Canada Life Unit Trust Managers is offering investors the choice of two trusts according to their requirements. For those looking for a balance between capital growth and income the Canlife General is recommended although the yield is rather on the low side and the interest is more for capital orientated investors. The Canlife Income Fund is more suited to investors looking for income with the added prospect of long-term capital growth.

Prospectus, Page 3

LAWSON HIGH YIELD

Lawson Securities is advertising the Lawson High Yield Fund this week-end, yielding an estimated 13.0 per cent. gross. The portfolio of the fund is divided between high yielding equities (60 per cent.) and Preference shares (40 per cent.). The minimum investment is £100 and accumulation units are available. Interest under this trust is paid quarterly instead of the more usual half-year intervals.

● comment

The Lawson High Yield Fund remains among the leaders of the high income trusts and has attractions to investors whose prime requirement is income. The Preference share content of the portfolio provides high income and stability, while the equity portion provides the fund with the potential for income growth. High yielding shares often provide above average capital growth prospects, so investors could benefit both ways.

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UNICORN WORLDWIDE

With a minimum investment requirement of £250, the Barclays Unicorn group is advertising the Barclays Unicorn Worldwide Trust this week. Nearly half the investments are in the U.S.A. and Japanese. Canadian, West German, Swiss and Australian shares are also included in the portfolio. The U.K. holdings are in trusts with "overseas" earnings or assets. The trust was launched in March 1973 and has outperformed the F.T. All Share index.

● comment

The Barclays Unicorn Worldwide Fund is starting to look one of the more attractive funds, with all the troubles of sterling to take into account at the moment. People who do want a hedge against further problems in the U.K. are well advised to do it through a fund in order to bypass the dollar premium. But they have to accept a low yield as a quid pro quo—in this case only 2.9 per cent.

Prospectus, Page 17

ISSUE NEWS

Town & City's rights

Full details are published to-day in connection with Town and City Properties' rights issue of £25.2m. of 8¼ per cent. Convertible Unsecured Loan Stock 1994-99 at par. Shareholders have been given the right to subscribe for the stock, with any balance not subscribed for taken up by Barclays Bank as to 60 per cent. and Prudential as to 40 per cent.

The proceeds of sales have been used partly for secured loan repayments and the major part of the balance, together with a large part of facilities of £35m., has been utilised to meet unfunded commitments, which amounted to £38m. during the year ended March 31, 1975, and to finance the excess of interest over net revenue.

Although cash outflows are serious, completion of the bulk of the current development plan during 1975 and 1976 and the curtailment of certain development expenditure is expected to lead to a reduction in capital expenditure and an increase in income.

Unaudited statement at September 30, 1974 indicates net assets at £237m., but latest figures indicate that at May 13, 1975, outstanding bank overdrafts were £25m., mortgage debenture stocks and mortgage, secured and other loans amounted to £274m. and unsecured stocks and other loans amounted to £43m.

See Lex

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The engineering sector figured prominently on the bids and mergers front last week. The Canadian group **International Nickel** (Inco), which is the world's largest nickel producer, is making an agreed 101p a share offer cash for Sheffield-based drop forgings concern **Daniel Doncaster**, valuing the latter's equity at £10.9m. Johnson and Firth Brown, which is currently engaged in a battle to take over the wire and engineering group **N. Greening**, holds a 10½ per cent. stake in Doncaster. However, Inco's bid of 101p, which compares with a market price of 45p for Doncaster just prior to the offer announcement, is widely considered to have been pitched high enough to frighten off any possible rival suitor. The bid's success is dependent on Inco obtaining exchange control consent and on their being no reference to the Monopolies Commission.

Johnson and Firth Brown has improved its share-exchange terms for **N. Greening** from a one-for-two basis to the three JFB shares for every five of Greening, valuing the whole Greening equity some £1m. higher at £6.2m. The new terms, JFB claims, will give Greening shareholders 18 per cent. of the enlarged JFB equity for a contribution to profits of only 13.9 per cent., and a dividend increase of 6 per cent. However, another rebuff has come from the Greening Board, which describes the revised offer as inadequate and unacceptable. The final acceptance date has been extended to July 7.

In answer to **Myson Group's** increased offer for **Sealed Motor Construction**, which was announced the previous week, **Adwest Group** has now come forth with an improvement in its terms for SMC, which, like Adwest's original bid, carries the recommendation of the SMC Board. Adwest is now offering 4p cash in addition to the 40p nominal of new 10½ per cent. Convertible Loan stock for each SMC, compared with the current value of the shares and cash offer from Myson of 43p per SMC share.

Following the recent announcement that bid talks were being held, **Whitbread** yesterday produced agreed terms for the takeover of distillers **Long John International**, valuing the latter at £18.5m. Whitbread is offering 180p nominal of a new 11 per cent. Convertible Loan plus 51p in cash or, alternatively, an all-cash amount of 231p for each LJI share. Schenley Industries of the U.S. is accepting in respect of its 75 per cent. stake in LJI.

General Investors and Trustees and City and Gracechurch Investment Trust are holding discussions with a view to effecting *a merger through a Scheme of Arrangement.*

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated						
Argentine Sthrn. Land	60*	55	34	2.4*	Gt. Western Corpn.	3/7
Central Prov. Manganese Ore	12½*	11	6	0.5*	Ests. & Agency	—
Clifton Invs.	4½*d	3½	4½	0.15*d	Aries Hldgs.	—
Cons. Commercl.	20	23	34	0.8	Rubislaw Invest. Tst.	—
Consolidated Tin Smelters	184	175	176	7.2	Amal. Metal	—
Court Hotels	50*	32‡	32	1.3*	BSQ Secs.	—
Curzon Indl.	—	5½	4½	2.2e	Agreed merger	—
Turner (Ben)	—	7	6½			—
Doncaster (D.)	101*	84½	45	10.9*	Intl. Nickel	—
Great Boulder	82½d	77	70	50.5d	Western Mng.	—
Greening (N.)	27	26	16½	6.2	Johnsn. & Firth Brown	7/7
Gunn (A.)	61	58	59	3.3	Hewden-Stuart	—
Hanover Grand	5*d	7½	8	0.1*d	Mr. J. Grant	—
Hellenic & General Trust	48*d	47	36	7.2*d	Hambros	—
Leadenhall-Strlng. Invests.	55*d	53	31	0.6*d	Brit. & Cmmwlth. Shipping	—
Long John Intl.	231	222g	157	18.5	Whitbread	—
Scotia Invs.	17*d	17	20	0.6*d	Alco Metrop. Properties	—
Seaham Harbour	£26*	£5‡	£5‡	0.6*	Tinline Ests.	—
Sealed Motor Construction	44	44	43	2.4	Adwest Grp.	11/7
Sealed Motor Construction	43g	44	38	2.4	Myson Group	7/7
Sheffield Twist	91*	91½	78	12.3*	Thorn Elect.	—
Sheffield Twist	77½*	91½	39	10.5*	SKF	3/7
Wright Bindley	60*d	59	45	0.6*d	Pentos	30/6
Wright-Scriven	13*d	13	13	0.5*d	Ferguson Indl.	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 27/6/75. k Based on 26/6/75. n Notional value. ‡ At suspension. † Bid.

Scrip Issues

Dorman Smith Holdings: One-for-five in "A" shares.

Evans of Leeds: One-for-one.

Racal Electronics: One-for-one.

J. W. Spear and Sons: One-for-three.

Warwick Engineering Investments: *One-for-five.*

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Edgar Allen	Mar. 29	2,145	(1,572)	11.1	(8.9)	3.459	(2.8)
ATV	Mar. 30	5,744	(7,268)	6.6	(8.6)	3.9	(3.126)
Baker Perkins	Mar. 31	2,673§	(2,832)a	3.5	(9.0)	3.25	(3.165)
Geo. Bassett	Mar. 31	1,623	(2,152)	6.7	(8.6)	4.217	(3.877)
Beechwd. Constn.	Mar. 31	324	(406)	2.3	(3.1)	1.525	(1.525)
Bell & Sime	May 3	105	(246)	11.6	(28.7)	3.553	(3.269)
BPB Industries	Mar. 31	11,602	(10,672)	15.1	(17.1)	5.729	(5.29)
Bradford Propty.	Apr. 5	2,583	(2,168)	17.5	(15.6)	5.115	(4.719)
Brudwall Rubber	*Dec. 31*	*485*	*(266)*	*5.9*	*(3.4)*	*2.01*	*(1.843)*
Brickhouse Dudley	Mar. 31	1,501	(1,150)	4.5	(4.1)	1.745	(1.607)
Brit. & Amer. Film	Dec. 31	57	(54)	1.4	(0.9)	1.411	(1.293)
Brit. Cottn. & Wool	Mar. 31	69L	(573)	—	(5.0)	Nil	(1.847)
Brown & Tawse	Mar. 31	2,047	(1,937)	12.2	(11.9)	2.022	(1.846)
Burtonwood Brew.	*Mar. 31*	*864*	*(749)*	*10.2*	*(8.5)*	*2.519*	*(2.308)*
Comben Group	Mar. 31	1,508	(3,301)	3.7	(7.1)	1.35	(2.8)
Continuous Stury.	Mar. 31	439	(300)	8.2	(5.8)	2.11	(1.934)
Crellon Holdings	Apr. 30	389	(377)	5.2	(5.1)	2.684	(2.472)
Godfrey Davis	Mar. 31	1,178	(1,608)	3.7	(5.7)	2.72	(2.72)
Dawson Intnl.	*Mar. 31*	*500*	*(6,244)*	*1.5*	*(16.3)*	*2.79*	*(2.79)*
Dorman Smith	Mar. 31	2,435	(1,747)	12.8	(9.3)	5.21	(4.708)
Eastern Produce	Dec. 31	2,491	(1,951)	13.8	(14.2)	Nil	(4.58)
Electrocompon'ts	Mar. 31	2,503	(2,085)	12.0	(11.5)	3.758	(3.464)
B. Elliott	Mar. 31	4,296	(2,326)	17.0	(8.4)	3.625	(3.343)
Emray	*Dec. 31*	*454*	*(303)*	*1.7*	*(1.3)*	*Nil*	*(Nil)*
Evans of Leeds	Mar. 31	605	(540)	7.2	(6.4)	3.87	(3.363)
Giltspur	Mar. 31	2,057	(2,260)	5.6	(5.8)	2.2	(2.03)
GRA Property	Dec. 31	111	(1,529)	—	(3.4)	0.377	(1.12)
Graham Wd. Steel	Mar. 31	405	(360)	4.5	(4.1)	1.686	(1.498)
Highgate & Job	Mar. 31	261	(559)	12.4	(29.1)	9.22	(9.596)
I. C. Gas	Mar. 31	11,039	(9,380)	16.0	(12.7)	6.731	(6.184)
Leopold Joseph	Mar. 31	391†	(387)	14.9	(14.7)	6.418	(5.55)
Lamont Holdings	Dec. 31	105	(128)	1.2	(1.2)	0.7	(0.7)
Lankro Chemicals	Feb. 28	2,926	(1,411)	28.5	(14.1)	3.528	(3.24)
Ldn. & Mid. Inds.	Mar. 31	1,230	(447)L	11.2	(—)	3.7	(Nil)
Ldn. Ovs. Frghtrs.	Mar. 31	9,651	(8,197)	29.3	(25.2)	3.216	(3.216)
Mansfield Brewery	Mar. 31	1,829	(1,750)	20.6	(20.6)	3.252	(2.979)
Thos. Marshall Inv.	Mar. 29	1,149	(1,133)	14.7	(11.7)	3.235	(2.98)
May & Hassell	Mar. 31	1,766	(5,434)	16.8	(36.8)	2.288	(2.106)
MK Electric	Mar. 31	675	(1,766)	2.7	(7.2)	2.0	(4.497)
Permali	Mar. 31	837	(671)	2.9	(2.5)	0.806	(0.742)
Plessey	Mar. 31	27,340b	(27,581)c	7.5	(8.0)c	3.023	(3.688)a
Queens Moat Hses.	Dec. 31	252	(329)	1.3	(1.3)	0.528	(0.528)
Racal Electronics	Mar. 31	9,559	(6,247)	19.5	(12.2)	2.847	(2.618)
Shaw Carpets	May 2	834d	(1,059)e	3.4	(5.6)	2.074	(1.884)
Sheepbridge Eng.	Mar. 31	2,685	(1,678)	4.5	(3.0)	2.853	(2.627)
Somic	Mar. 31	147	(140)	3.3	(2.3)	1.943	(1.789)
J. W. Spear	Dec. 31	1,289	(969)	20.6	(17.9)	1.867	(1.719)
Stead & Simpson	*Mar. 31*	*1,359*	*(1,383)*	*2.9*	*(3.5)*	*2.096*	*(1.927)*
S. & U. Stores	Jan. 31	251	(414)	2.4	(2.6)	0.83	(0.863)
Tecalemit	Mar. 31	776	(832)	5.3	(5.5)	2.955	(3.06)
Tridant Printers	Mar. 31	776	(737)	8.5	(8.5)	2.756	(2.532)
Warwick Engng.	Mar. 31	632	(506)	8.9	(6.6)	2.362	(2.1)
Whitecroft	*Mar. 31*	*3,277*	*(3,148)*	*19.2*	*(18.9)*	*4.877*	*(4.49)*

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allied Breweries	May 10	34,030§	(36,734)	1.015	(0.93)
Anglia Television	Apr. 30	350	(594)	2.094	(2.094)
Associated Paper	Mar. 31	762	(796)	1.0	(0.9)
Bindl-Permoglaze	Apr. 30	272	(473)	0.67	(0.67)
Crest Nicholson	Apr. 30	422	(327)	0.63	(0.63)
Greenfield Milletts	Apr. 30	165	(277)	0.325	(0.3)
Hardys & Hansons	Mar. 28	544	(484)	1.6	(1.4)
Kenning Motor	*Mar. 31*	*1,601*	*(1,556)*	*1.3*	*(1.34)*
Lincroft Kilgour	Mar. 31	376	(432)	1.08	(0.99)
G. F. Lovell	Apr. 26	14L	(5)	—	(—)
Herbert Morris	Apr. 20	381‡	(76)L	1.5	(Nil)
Pleasurama	Mar. 31	173	(102)	0.67	(0.67)
Sidlaw Industries	*Mar. 28*	*310*	*(434)*	*1.0*	*(1.0)*
Walmsley (Bury)	Mar. 31	138	(643)	Nil	(3.5)
Websters-Pblctns.	Mar. 31	160	(151)	0.269	(0.246)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † Net attributable. ‡ For 24 weeks. § For 32 weeks. ¶ For 15 months. a For 12 months. b For nine months. c Adjusted for nine months. d For 53 weeks. e For 52 weeks. L Loss.

Offers for sale, placings and introductions

Sunderland and South Shields Water: Offer for sale by tender £3m. 9 per cent. Redeemable Preference Stock 1980 at £99 per cent. minimum price.

Rights Issues

Bowater: One-for-six at 115p each.

Kwahu: One-for-two at 20p each.

S. Leboff (Fobel): One-for-six at 28p each.

London United Investments: One-for-four at 50p each.

Metal Box: One-for-four at 210p each.

Mitchell Cotts Group: £1 of 13 per cent. Convertible Unsecured Loan Stock 1990-95 for ten Ordinary at par.

Property Holding and Investment Trust: £1 of 9 per cent. Convertible Unsecured Loan Stock 1990-95 *for five Ordinary at par.*

J. Brown turns in £0.54m.

IN THE year to March 31, 1975, **John Brown and Company** made an overall pre-tax profit of £541,477 compared with £4,185,490 in 1973/74.

On June 3 the group reported that the subsidiary Constructors John Brown made a loss of £4.9m. in the year but there would be *an overall profit.* It was also announced that there would be no final dividend. The 2.68p net interim thus compares with a total of 8.502p for 1973/4.

	£1974-75	1973-74 £
Turnover	153,665,000	124,245,000
Grp. profit before tax	541,477	4,185,490
Corporation tax	—	218,351
Deferred tax	1,161,407	764,264
Franked inv. inc.-tax	150,316	99,347
Overseas tax	1,431,843	985,716
Previous overprovsn.	74,889	131,663
Loss after tax	2,127,221	*2,149,473
Minorities	10,909	36,502
Loss attributable	2,138,130	*2,110,971
Interim dividend	421,829	220,358
Final	—	1,117,848

* Profit.

Capital and other tax allowances available to U.K. subsidiaries such that only minor balance can be set off against losses of Constructors John Brown. Accordingly, only U.K. tax to be paid is ACT on interim dividend, less the relief thereto represented by tax suffered on franked investment income.

An analysis of turnover and profit before tax shows (£000s omitted) machine tools and cutting tools £53,473 (£40,955) and £2,543 (£2,099), containers, trailers and commercial vehicle bodies £12,417 (£10,412) and £533 (£535), general engineering and miscellaneous £46,214 (£37,969) and £2,618 (£1,951) *and* chemical engineering and pipelines £41,561 (£35,012) and a loss of £4,900 (profit £66). Interest and head office charges, less investment income took £253 (£466).

Turnover represents the sales value invoiced except in the case of certain companies in the Constructors John Brown group which have long term contracts, where the estimated sales value of work done has been used. Inter-company sales have been included where such sales are between companies at "arms length" although the amount of *these is not material, members* are told.

Profits on contracts are brought in only when the contracts are *completed, except that in the* case of engineering and technical assistance contracts secured either at rates or on a cost plus basis, profits are taken during the accounting periods in which they arise, but any losses expected are provided for as soon as they appear likely. Thus profits for the year are not necessarily related to turnover.

See Lex

No interim from Chown

Property investors and dealers, **Chown Securities**, reports an increased first-half loss of £614,253 (£364,785) after higher interest charges of £815,046, against £611,802, and is omitting payment of an interim dividend, against 0.502p.

The directors hope for some *improvement in the second half.*

For the year to June 30, 1974 a total of 1.4065p net per 25p share was paid, from a surplus *of £180,151, which included* £855,000 from reserves.

B.L. holders call for institutional support

British Leyland shareholders fighting for better nationalisation compensation yesterday called for support from the big institutions who hold millions of shares. The call came during a meeting of *300 shareholders to form the* British (Leyland) Shareholders Association.

They want more than the "confiscatory amount" of 10p a share, or to have another plan adopted for the company which would need only minimal support from the Government—despite the advice of company chairman Lord Stokes to accept.

The meeting was chaired by Mrs. Muriel Gumbel, a law lecturer and former mayoress of Kensington and Chelsea.

Motions were passed calling for a better deal, and another criticised the directors: "This meeting considers that the life-long commitments of some directors to British Leyland and its predecessors, and their special *interests in respect of partly-paid* stock and shares, has influenced their judgment.

"Accordingly, it rejects the recommendations of the Board and urges shareholders to vote against the scheme of arrangement."

TRAFALGAR HOUSE

Trafalgar House Investments is to issue £5.96m. nominal of its *7 per cent.* Unsecured Debenture stock as consideration for the acquisition of housebuilding land. The land was acquired in 1973 under an agreement which provided for the consideration to be paid in annual instalments.

The outstanding instalments have now been commuted into one major payment with further small amounts to be paid in 1976 and 1977.

Under the arrangements with the vendors Trafalgar is to repurchase part of the 7 per cent. stock which will then be cancelled: Trafalgar has also purchased 7 per cent. stock through the market. The total amount to be acquired for cancellation will be £9.5m. Following these transactions the amount of 7 per cent. stock in issue will be £2.22m.

Trianco omits Pref dividend

On a turnover down from £2.92m. to £2.24m., engineers, **Trianco Group**, incurred an increased loss of £373,718 (£264,645) in 1974, and is omitting payment of a Preference dividend.

The directors report, however, that management accounts for the first quarter of *1975 show an improvement* in the trading position.

After a tax credit of £3,315 (£31,635) and extraordinary items of £71,941 (£45,419), the net loss is £442,344 (£278,429).

Hambros investment aims

The past year has been a difficult one, especially on the investment banking side of the group's operations, says Mr. Jocelyn Hambro in his annual *statement as chairman of* Hambros, the merchant banking group.

He adds, however, that general banking operations produced results better than the previous year's and that Hambro Life made a handsome contribution of £1.15m. net of tax and minority *interests.*

As previously announced, profits of banking and other companies after undisclosed transfers to *inner reserves, from which re*serves provision has been made for diminution in the value of assets, were £2.8m. against £6.2m. Total net profit after extraordinary items amounted to £4.6m., compared with £8.4m.

Mr. Hambro says that the performance of the commercial banking activities has to be judged against an extremely volatile year in domestic and foreign money markets.

On investment banking, he notes that since the beginning of 1975, with more buoyant stock market conditions, the value of holdings has improved. "Having achieved considerable liquidity, *we are well placed to participate* in new, but selective, industrial and commercial investments," Mr. Hambro says.

As to shipping finance, an important part of the business of Hambros Bank, Mr. Hambro reiterates earlier comments that, despite the current troubles in *the tanker industry, they have* so far suffered no loss of principal or interest on any shipping loan. Security continues, he says, to cover the lendings.

Loans, advances and other accounts are shown as £415m. at the end of March, 1975, compared with £436m. a year earlier. It is believed that advances against tankers amount to some £80m.-£85m.

See Lex

Colmore

From turnover ahead from *£6.77m. to £6.94m., taxable profit* of **Colmore Investments** declined from £120,443 to £73,515 for the year to March 31, 1975.

Stated earnings are down from 1.5p to 0.7p and a final dividend of 0.35p lowers the total from 1.34p to 0.685p.

Tax takes £43,690 (£59,187), leaving £29,825 (£61,256).

Kleen-e-ze margins cut

Turnover of **Klen-E-Ze Holdings** *increased from £3,505,836 to* £4,334,953 for the year to March 31, 1975, but profit decreased to £145,388 (£278,065), after £125,050 (£115,088) for the first half. The year's tax charge is down from £165,642 to £821,164.

In order to maintain investment status a final dividend of 0.1p is declared making a net total of 3.475p, against 3.73p. Earnings per 25p share decreased from *3.7p to 2.1p.*

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
♣	F.P.	—	172	165	Akroyd & Smithers	165	.....	—	—	—	—
48	F.P.	11/7	56	46	Clive Discount (20p)	48	.....	15	—	9.6	—
♠	F.P.	—	£21½	£17½	Com. Can. Inc. [illegible]	£19	+⅝	s1.8	—	4.4	—
R2	F.P.	30/5	390	295	Deelkraal Gold Mining	390	+10	—	—	—	—
[illegible]	F.P.	—	154	120	Ewart New Northern	151	.....	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£100	F.P.	—	100	99⅝	Agricultural Mortgage 11% 1976	100	.....
£100	£25	11/6	65½	59	Allied Irish 10% Conv. Uns 1985	42p	+½
$100	F.P.	—	$100	$100	Barclays Bank Int. 9½% Capital Notes 1982	$100	.....
£97½	£10	—	10	9½	City of Westminster 13% Red. St. 1981	9⅞	−¼
£100	F.P.	11/7	102	101	Colne Valley Water 9% Red. Prf. 1980	101	−½
£100	£10	—	11¼	11¼	East Surrey Water 9% Red. Pref. 1980	11	−¼
£100	F.P.	—	£105	£104	EnnaFinance U.K. 9½% Cnv Gtd Uns Ln. 85-90	£104	−½
£100	£10	31/7	11¾	11¼	Folkestone Dist Water 9% Red Prf. 1980	11½	−¼
£100	F.P.	6/6	132	120	Gestetner 10% Conv. Uns. '90/95	120	−3
$98	F.P.	—	$98½	$96½	Granges 9¾% Bonds 1985	$96½	.....
£99	F.P.	30/5	102½	99½	London Corp. 15% 1980	100½	.....
£99	F.P.	30/5	106½	101	Mid-Kent Water 10% Prf. 1980	101½xd	.....
[illegible]	F.P.	23/5	105½	101½	Mid-Southern Water 10% Prf. 1980	101½xd	.....
$100	F.P.	—	$102½	$100½	Norsk Hydro 9¾% Bds. 1986	$102½	.....
£100	F.P.	21/5	125	106	N. Atlantic Secs. 4% Cnv. 85-95	111	.....
£100	*£10*	*31/7*	*11¾*	*11*	*N. Surrey Water 9% Red Prf. 1980*	*11½*	*−¼*
£100	Nil	—	5	4	Prop. Hldgs. & Inv. 9% Conv. '90/5	5pm	.....
[illegible]	F.P.	—	105½	100	Rickmansworth & Uxbridge 10% Prf. 1980	104	.....
£99½	£45	1/8	46¼	43½	Southend-on-Sea 12¾% 1981	43¾	−¼
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	101½xd	.....
[illegible]	F.P.	18/4	102	101	Sutton District Water 10% Prf. 1980	101½	.....
£99¼	F.P.	11/7	99¼	88⅞	Warwickshire 12¾% Red. Stk. 1980	99¼	.....
£1	F.P.	24/6	110p	95p	Waterford Glass 10% Conv. Cum. Red. Pref.	100½	.....
—	F.P.	14/2	90	80	Worth (Bond) 12% Conv. Uns.	82	.....
£100	£50	2/10	97	67	Yorks Chems. 12% Conv. Uns.	76	−5

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	Stock	Closing Price p	+ or −
33	F.P.	16/5	2/7	Associated Biscuit	53	−2
43	F.P.	20/6	8/8	Associated Engineering	50½	−1
25	Nil	7/7	21/8	Barrow Hepburn	8½pm	−½
85p	Nil	2/7	1/8	Bell (A.)	8pm	−1
46	Nil	7/7	10/9	Boc Intl.	1½pm	−½
£100	Nil	—	—	Borel (Jacques)	245pm	..
40	Nil	3/7	8/8	Carless Capel	20pm	.....
A$1.50	*Nil*	*2/7*	*7/8*	*Commercial Bank of Australia*	*80pm*	.....
45	F.P.	26/6	25/7	Duport	44	−¾
25	F.P.	13/6	11/7	Elliott Grp. of Peterboro	33	−1
65	Nil	4/7	—	Ever Ready	4pm	−1
38	Nil	—	—	GEI Int.	1½pm	−1½
200	Nil	4/7	7/8	Glaxo	118pm	−12
17	Nil	4/7	17/7	Gordon Johnson-Stevens	1½pm	..
52	F.P.	16/6	11/7	Hawkins & Tipson	62	−1
25p	F.P.	24/6	18/7	Hestair	43	−3
40	F.P.	13/6	11/7	Macarthys Pharm.	49	
100	F.P.	11/6	11/7	Marshalls Universal	101	−3
Kr200	Nil	12/7	—	Norsk-Hydro	524pm	.....
10p	Nil	2/7	8/8	NSS Newsagents	27pm	.....
60	Nil	9/7	8/8	Norvin Peacock	16pm	.....
25	Nil	—	—	Phoenix Assurance	8pm	−3
5p	Nil	—	—	Premier Cons. Oilfields	3½pm	−½
105	F.P.	19/6	17/7	Prudential Ass.	114	.....
47	F.P.	4/6	16/7	Richard & Wallington	60	.....
20	Nil	4/7	8/8	Root Harvesters	4½pm	−1
27½	Nil	10/7	21/8	Serck	1¼pm	−2¼
500	F.P.	—	—	Siebens Oil & Gas UK	570	−16
65	nil	—	—	U.K. Optical	10pm	.....
75	F.P.	20/6	18/7	United Biscuits	88	+1

†† Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital; cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). + Provisional or partly-paid allotment letters. ≠ With warrants.

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Consolidation in progress

BY OUR WALL STREET CORRESPONDENT

CONSOLIDATION WAS in progress on Wall Street to-day, when the Stock Market appeared to be caught in some Institutional portfolio switching prior to the end of the quarter.

The Dow Industrial Average finished 1.02 off at 873.12, reducing its rise on the week to 17.68, while the NYSE All Common Index held unchanged at $50.62, for a gain of $1.23 on the week. Advances led declines by 760-to-624, while the trading volume dropped by 3.74m. shares to 18.82m.

There was some suggestion that demand was restrained by the rise in the Federal Funds Rate the last two days. The rise has apparently put a temporary halt on the recent decline in bank prime interest rates.

First National City Bank said it is holding its prime rate unchanged at 6¾ per cent.

In the news background Administration economist Alan Greenspan told a White House session the impact of President Ford's income tax rebate had not been as great as expected.

Texaco, the most active issue, firmed $½ to $26¾. A block of 374,900 shares traded at $26½.

In other Oils, Phillips moved ahead $¾ to $59 and Atlantic Richfield were up $¾ to $102½.

Varian Associates slipped $¾ to $15½ in active trading.

Eastern Gas and Fuel Associates advanced $1½ to $45¾ on a 3-for-2 stock split and an increased dividend on the new shares.

Koehring gained $1½ to $9¾ on May quarter net earnings of $1.516m. against $121,000 a year earlier.

Englehard Minerals improved $1½ to $22¾—platinum producers have begun a national campaign for using platinum in jewellery.

The American SE Market Value Index moved up 0.30 to 93.00, making a rise of 1.93 on the week. Advances outnumbered declines by 386 to 289.

Federal Resources, the most active issue, rose $½ to $4¾ on a volume of 156,400 shares.

Canada up again

Canadian Stock Markets made further headway yesterday under a strong lead of Golds which advanced 14.7 to 431.94 on index.

Industrials rose 0.24 to 189.43, Base Metals 0.44 to 75.10, Western Oils 1.42 to 207.58, Utilities 0.06 to 129.22, Banks 1.85 to 268.80 and Papers 1.62 to 111.67.

General Motors put on $1½ to $49¾ on worker recalls in the U.S.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util.	Trading volume† 000s
June 27 ...	69.42	171.34	873.12	86.02	18,820
26 ...	69.51	164.90	874.14	86.32	24,560
25 ...	69.37	163.50	872.73	86.69	21,610
24 ...	69.62	166.10	869.06	87.07	26,620
23 ...	69.35	167.51	864.55	86.50	20,720
20 ...	69.09	166.75	855.44	86.24	25,260
19 ...	69.06	164.29	845.35	86.37	21,450
18 ...	68.72	164.59	827.73	85.40	15,590
17 ...	68.93	165.19	822.61	82.82	19,440
16 ...	68.98	167.16	834.05	82.60	16,660
13 ...	68.78	167.65	824.47	81.90	16,500
12 ...	68.58	167.99	819.31	81.61	15,970
11 ...	—	169.21	824.56	81.51	16,250
10 ...	68.27	166.58	822.12	81.50	21,150
9 ...	68.04	170.07	830.10	82.21	20,870
6 ...	67.91	170.52	839.64	82.82	22,250
5 ...	67.76	168.72	842.15	82.62	21,610
1975 High	69.92	174.12	874.14	87.07	—
	(4/4)	(5/5)	(26/6)	(24/6)	
Low	65.16	146.47	632.04	72.02	—
	(5/1)	(2/1)	(2/1)	(2/1)	
All-time High	—	279.88	1051.70	163.32	—
Low	—	13.23	41.22	10.56	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

June 15	June 6	June 14, 1974
4.69	4.59	4.38

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	June 27	June 26	June 25	June 24	June 23
50.62	37.06	50.62	50.62	50.51	50.28	49.84

RISES AND FALLS

	Issues traded	Up	Down	Unchanged
	1,821	760	624	437

	June 27	June 26	June 25	June 24	June 23
New Highs	145	237	232	255	179
... Lows	nil	1	1	1	1

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973

1975 High	1975 Low	June 27	June 26	June 25	June 24	June 23
93.00 (27/6)	62.20 (2/1)	93.00	92.70	92.28	91.48	91.44
Volume (000s)		6,170	5,350	5,640	5,080	2,440

U.S. STOCK INDICES STANDARD AND POORS

	*Industrials	†Composite
June 27	106.77	94.71
26	106.36	94.81
25	106.09	94.62
24	107.54	94.19
23	104.88	93.62
20	103.70	92.61
1975 High	106.39 (27/6)	94.81 (26/6)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Jn. 26 1975	Jn. 19 1975	Jn. 26 1974
Ind. Ord. yield p.c.	3.60	3.74	3.80
Ind. Ord. p/e ratio	11.50	10.98	19.73
Long-term Govt. Bds. per cent.	5.74	5.75	6.60

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texaco	491,300	26¾	+½
Atlas Corp.	236,600	4½	—
Varian Assocs.	233,200	15½	−¾
Fed. Nat. Mort.	220,900	16¾	−¾
Amer. Airlines	192,300	9½	−¼
Okla. G.E.	177,800	24¾	—
Chrysler	157,200	11¾	−¼
Telex	123,200	2¾	−¼
Kaufman & Broad	121,500	6½	−½
General Electric	118,000	52¾	−¾

TORONTO

INDUSTRIAL INDEX

June 27	June 26	1975 High	1975 Low
189.43	189.19	189.43 (27/6)	150.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

June 27	June 26	1975 High	1975 Low
201.05	200.32	201.05 (27/6)	159.93 (2/1)

COMBINED INDEX

June 27	June 26	1975 High	1975 Low
193.70	193.01	193.70 (27/6)	258.02 (2/1)

JOHANNESBURG

	June 27	June 26	1974-75 High	1974-75 Low
Industrials	231.5	229.7	231.5 (27/6)	192.2 (25/1)
Golds	363.5	344.0	379.1 (2/1)	235.2 (13/4)

1958=100. Source: Rand Daily Mail. *1974

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	June 26	June 19	June 12
On Dividends	7.36	7.35	7.11
On Earnings	14.12	14.15	13.67

SYDNEY ALL ORD. INDEX

June 27	June 26	High 1975	Low 1975
366.66	366.01	365.55 (4/6)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

June 27	June 26	High 1975	Low 1975
328.73	327.46	332.96 (22/6)	268.24 (10/1)

HONG KONG INDEX ⊕

June 27	June 26	High 1975	Low 1975
325.09	326.72	341.57 (9/6)	160.48 (9/1)

SINGAPORE INDEX §

June 27	June 26	High 1975	Low 1975
224.66	226.05	268.69 (11/5)	153.26 (3/1)

EUROPE

	June 27	Previous	1975 High	1975 Low
Belg'm (a)	107.02	107.41	111.51 (15/5)	89.07 (2/1)
Denm'k (b)	88.65	88.74	92.30 (15/6)	75.06 (15/1)
France (d)	65.4	65.2	7[illegible] (25/4)	51.70 (2/1)
Germ'y (e)	667.1	666.1	7[illegible] (15/4)	575.5 (2/1)
Holland (f)	100.0	100.5	107.6 (6/5)	85.6 (2/1)
Italy (g)	26.94	26.99	103.26 (31/2)	65.9 (6/1)
Spain (h)	97.26	98.16	110.96 (22/4)	96.64 (19/6)
Sweden (k)	380.18	380.66	390.13 (27/6)	310.56 (9/1)
Switz'ld (m)	258.6	261.8	2[illegible] (6/5)	[illegible]

Indices and base dates (all base values 100):—(a) Belgian S.E. 31 12 63. (b) Copenhagen S.E. 1 1 73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan 1972. (h) Madrid S.E. 31 12 74. (k) Stockholm Industrial 1 1 58. (m) Swiss Bank Corp. 31 12 58. (u) Unavailable. ⊕ Hang Seng Bank 31 7 64. § Straits Times 1966. (c) Closed. † Adjusted.

OTHER MARKETS

PARIS—Irregularly lower in listless trading, discouraged by poor results from Renault.

BRUSSELS—Mixed in quiet trading.

U.S. issues slightly lower. German, U.K. and Dutch stocks down. French and Golds little changed.

AMSTERDAM — Dutch Internationals mostly weakened.

Shippings, Plantations, Banks, and Insurances mixed, Investment Funds and Dutch locals generally easier.

MILAN—Narrowly mixed in quieter trading.

SWITZERLAND—Markets edged lower in thin trading.

Major Banks easier. Financials mixed, Insurances easier.

GERMANY—Mixed trend.

Banks, led by Deutsche, with a Dm.3.50 rise, were the centre of attention.

Most leading Chemicals, Electricals, Motors and Steels hardly changed. Stores mixed, Machineries lost up to DM2.

HONG KONG—Lower in light trading.

TOKYO—Better tendency. Volume 150m. (120m.) shares.

Housings, Constructions, Pharmaceuticals and "speculative" issues firmed.

But selected Electricals, Motors and non-life Insurances lost ground.

JOHANNESBURG — Golds steady, Financial Minings mixed. Platinums narrowly mixed, Coppers firm.

Industrials slightly better.

AUSTRALIA — Featureless in quiet end-week trading.

Uraniums unsettled initially, edged higher later. Peko-Wallsend gained 5 cents to $A2.75.

Golds attracted late buying. Central Norseman rose 5 cents to $A2.40, as did GMK to $A1.30.

Bundaberg lost 5 cents to $A2.75.

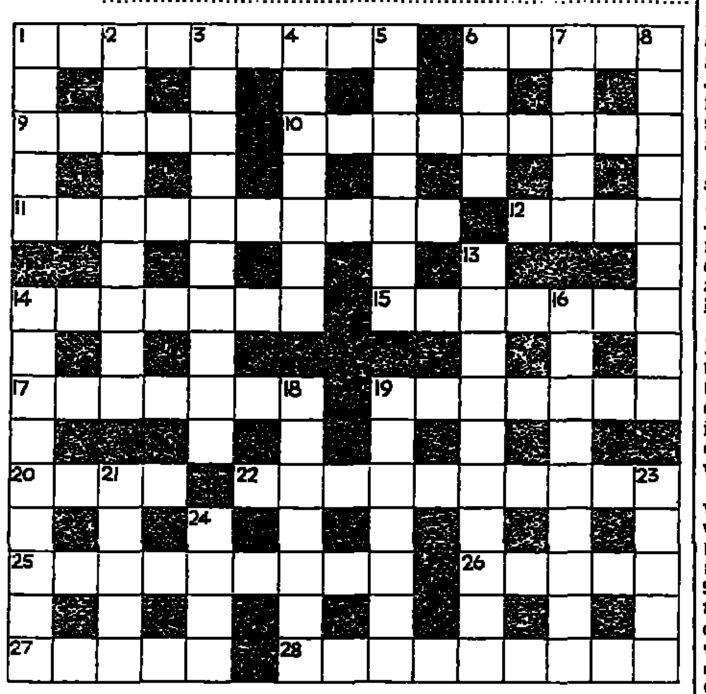
F.T. CROSSWORD PUZZLE No. 2,815

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



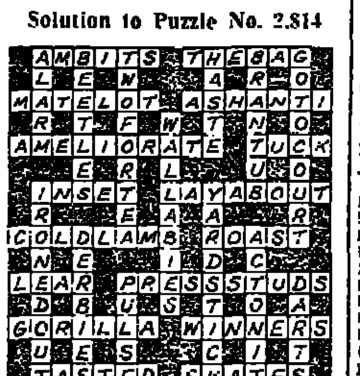
ACROSS

1 Unfavourable balance of payments one in 9 breach (6, 3)
6 Searches for underwear (5)
9 County for dandies (5)
10 First person to get doctor S. African currency plus a number of notes (9)
11, 19 Value of kicking a penalty goal after perfect touch down (5-5, 7)
12 Dressing up by men can be a bore (4)
14 Staunch non-cosmopolitan causes Irishman to disturb the peace (7)
15 Bound to be grateful (7)
17 Contribute in the end to Communist Cockney's dog (7)
19 See 11
20 Classic source of hard wood (4)
22 Many-sidedness law displays in turn (7, 3)
25 Underground dwarf sounding musical pendulum (9)
26 Master of the Rolls? (5)
27 Thread made by artist over there (5)
28 Saw how to send cider astray (9)

DOWN

1 Travelled by underground up to first appearance (5)
2 Rent of the French church taxed (9)
3 Temperate sailor has to check notes (10)
4 Something to chew over getting sack in Wellington (7)
5 Sermonising soldiers to grow pepper (7)
6 Eccentric at 18 (4)
7 Not as important for motorway to take northern alternative (5)
8 Pointless kind of story for long-haired to follow (6, 3)
13 Surveying instrument offering simple fare we hear . . . (5, 5)
14 . . . for each ex-actor (9)
16 Spiteful old woman looks stern on a student and family (9)
18 6 stone (7)
19 Lags could make this lot rise (7)
21 Puss thrown in common pool (5)
23 Spent it up on cardinal (5)
24 Hundreds admit being cut (4)

Solution to Puzzle No. 2,814



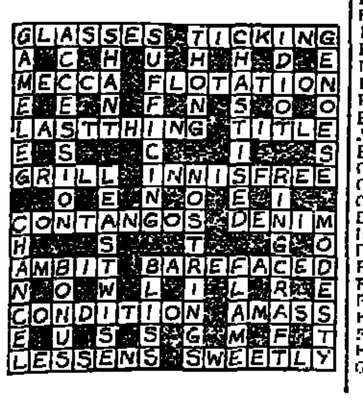
SOLUTION AND WINNERS OF PUZZLE No. 2,809

Following are the winners of last Saturday's prize puzzle:

Mr. W. L. Hodge, 15 Mirrlees Drive, Glasgow G12

Mr. P. P. Thomas, Westbury Travers, Tunstead Road, Hoveton, Norwich NR12 8QN.

Mrs. R. Trickey, Needles, Hawkins Lane, Ottery St. Mary, Devon.



RACING BY DOMINIC WIGAN

John Cherry can win Northumberland

GEOFF LEWIS, with Lester Piggott absent in Ireland, has come in for what could well be a valuable winning ride on Mr. Jock Whitney's *John Cherry*, favourite for to-day's Joe Coral-sponsored Northumberland Plate at Newcastle.

John Cherry, a four-year-old son of the highly successful American sire Stage Door Johnny, owes his position as market leader to his almost effortless victory in the Harpers and Queen Handicap at Kempton four weeks ago.

In that two-mile event the Beckhampton gelding swept through in the hands of Piggott to take up the running at the distance and have no difficulty in holding off that smart handicapper Seven the Quadrant, to whom he was conceding 9 lb.

John Cherry, who had previously run well when still backward in a Sandown handicap and the Ladbroke Chester Cup, does not seem harshly treated with 9 st 2 lb., and with a 5 lb advantage over Girandole I shall be disappointed if he cannot deal with the Newmarket four-year-old, a poor fourth in the Ascot Gold Cup.

A greater threat than Girandole could be top weight Crash Course. This handsome Busted colt, trained by Jeremy Hindley for his wife Sally, began the season by running a close third behind Paper Chase and Huzzar in the Newbury Summer Cup on June 12. He followed that creditable effort by coming out a half-length winner from Cumbernauld, to whom he was conceding 6 lb in the Ascot Stakes at the royal meeting. Nevertheless, I believe the task of conceding 13 lb to John Cherry will be beyond him.

A second possible winner for Lewis is Mick Easterby's fast two-year-old *Pennina*, whom he rides in the Chesters Stakes. This bay filly by Grundy's sire Great Nephew, out of Princely Maid, found no difficulty in completing a quick hat-trick early in the season. She then failed by only a neck to hold off Border River at Ripon three weeks ago.

I hope to see her regain winning form by out-pacing Rundontwalk, a 1½-lengths winner from Leinster House at Thirsk four weeks ago.

Turning to Lingfield, where it is a Racegoers Club concession day, Philip Waldron appears to be the man to follow. I expect to see Ian Balding's former apprentice land three here, including the valuable Queen Elizabeth Handicap, in which he rides *Court Chad*.

His best chance appears to lie with the once-raced *Dove* in the opener, the Rectory Stakes. Henry Candy's chestnut daughter of Sea Hawk II showed notable promise to finish fourth of 15 behind Hayloft (a winner again yesterday) at Salisbury early this month, and unless there is a well-above-average newcomer in the line-up she should make no mistake.

LINGFIELD
2.00—Dove
2.30—Grinling Gibbons
3.00—Court Chad
3.30—Be Faithful
4.00—Outrage
4.30—Hatbox

NEWMARKET
1.30—Blue Raffles
2.00—Palatable
2.30—Jacmel
3.35—Toussaint

NEWCASTLE
1.45—Never Never
2.15—Gold Claim
2.45—John Cherry
4.20—Pennina
3.50—Kenco
4.20—Truly Brave
4.50—Battle Cry

CHEPSTOW
2.15—King's Honour**
2.45—Spanish Nun
3.45—Native Soil**

DONCASTER
7.15—Corraggio
8.10—Same Browne*

IRISH DERBY
Grundy
Sea Anchor e.w.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—101% (97%).

NEW YORK

Stock	June 27	June 26
[illegible]		

CANADA

Stock	June 27	June 26
[illegible]		

GERMANY ♦

June 27	Prices Dm.	+ or −	Div.	Yld. %
[illegible]				

PARIS

June 27	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]				

AUSTRALIA

June 27	Aust. $	+ or −
[illegible]		

AMSTERDAM

June 27	Price Fls.	+ or −	Div. %	Yld. %
[illegible]				

OSLO

June 27	Price Kroner	+ or −	Div. %	Yld. %
[illegible]				

VIENNA

June 27	Price %	+ or −	Div. %	Yld. %
[illegible]				

MILAN

June 27	Price Lire	+ or −	Div. Lire	Yld. %
[illegible]				

SWITZERLAND ●

June 27	Price Fr.	+ or −	Div. %	Yld. %
[illegible]				

STOCKHOLM

June 27	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]				

COPENHAGEN

June 27	Price Kroner	+ or −	Div. %	Yld. %
[illegible]				

TOKYO ¶

June 27	Price Yen	+ or −	Div. %	Yld. %
[illegible]				

Source: Nikko Securities Tokyo

BRUSSELS

June 27	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]				

JOHANNESBURG

MINES

June 27	Rand	+ or −
[illegible]		

INDUSTRIALS

	Rand	+ or −
[illegible]		

SPAIN ♥

June 27	Per cent.	
Asland	301	+ 2
Banca Lopez Quesada	736	− 1
Banco Bilbao	900	− 6
Banco Atlantico (1,000)	706	− 6
[illegible]		
Hidrola	151	+ 2
Iberduero	225	+ 1
Motor Iberica	224	—
Olarra	740	—
Petroliber	320	—
Sarrio Papalera	322.50	+ 0.50
[illegible]		

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax. [illegible]

BIDS AND DEALS

LCP paying £1.3m. for Kinsells

LCP Holdings, the industrial holding company with interests in construction, builders' merchanting and fuel and vehicle distribution, has expanded its "Do-it-Yourself" activities through the acquisition of Kinsells for £1.3m.

Kinsell's business covers retail and wholesale merchanting of decorating materials, general hardware merchandise and a garden centre operation embracing garden and leisure equipment. It operates in the West Midlands from five depots—at Willenhall, Dudley, Aldridge, Stockport and Oldham—each of which covers an area of around 40,000 square feet, and has parking space for around 1,100 cars.

The consideration of £1.3m. will be satisfied as to £800,000 on completion, £250,000 on July 1, 1976, and £250,000 on July 1, 1977. Kinsells' net tangible assets at December 31, 1974, totalled £703,000 and its pre-tax profit in 1974 was £206,000.

In recent months the floor space in operation at the depots has been substantially increased and LCP considers that the purchase will provide it with the "ideal foundation" for an expansion in DIY home improvement centres.

The executive directors of Kinsells—Mr. A. P. Baker, Mr. A. N. S. Spier and Mr. W. Willies—will remain in office and Mr. L. A. Maybury and Mr. D. B. Clark, directors of LCP, will join the Kinsells Board.

ALLIED INSULATORS —MASON & BURNS

Allied Insulators, having recently acquired a 29.8 per cent. holding in Mason and Burns, malleable ironfounders, is to bid 0p a share for the outstanding equity. At this level, M and B is valued at £95,000.

The directors of M and B, who are being advised by their auditors, Herbert Pepner and Rudland, recommend all shareholders to accept. They and certain associated family shareholders have, with the consent of the Takover Panel, irrevocably agreed to accept in respect of holdings amounting in the aggregate to some 23.9 per cent. of the issued capital.

Offer documents will be despatched by J. Henry Schroder Wagg and Company as soon as possible.

IPC sells half interest in Sungravure

International Publishing Corporation has sold its half interest in Sungravure Pty. Sydney magazine publishers, to Sungravure Holdings Pty. an investment company. Associated Newspapers, which will retain its half interest in Sungravure, agreed to the sale.

IPC has acquired the 50 per cent. interest held by Sungravure in IPC Business Press Pty. which now becomes a wholly-owned subsidiary.

SMC RECOMMENDS ADWEST OFFER

Recommending acceptance of the increased Adwest Group bid for Sealed Motor Construction and rejection of the rival Myson Group offer, Mr. P. Pensabene, the chairman of SMC, points to the shares of Myson having fallen 14.1 per cent. to 67p between the announcement of its first offer and June 25 and says that Adwest on the other hand has increased slightly.

Myson is offering shares and cash, while Adwest is offering a loan stock.

Mr. Pensabene also argues for the commercial logic of a merger with Adwest whereas be feels that if the company were taken over by Myson there would be a great danger of business being damaged due to some customers seeking alternative sources of supply for circulating pumps.

Of Myson's "threat" to introduce its own line of circulating pumps should it fail to acquire SMC, he says SMC has built up considerablet experience of manufacturing and marketing this type of pump and with Adwest would have nothing to fear from a newcomer to the market. He also remarks that shareholders "may also wonder why Myson seems so anxious to acquire SMC if it thinks it is so easy to introduce its own circulating pumps."

LAMONT ACQUIRES STELLAR UNIT TRUST MANAGERS

Lamont Holdings has acquired Stellar Unit Trust Managers from Constallation Investments. Stellar, which is based in the Isle of Man, manages Stellar Growth Unit Trust an authorised trust in the Isle of Man, with the Isle of Man Bank as Trustee.

Lamont already has an investment management subsidiary in the Isle of Man, Lamont Investment Management, which manages Lamont International Income Trust. Permission has been received to change the name of Stellar Growth Unit Trust to Lamont International Growth Trust.

The trust will invest in equities covering the Far East, Australia, North America, Europe and the U.K.

JFB—GREENING

Acceptances of the offer by Johnson and Firth Brown for the capital not already owned of N. Greening and Sons have been received in respect of 66,100 Ordinary (10.34 per cent.) and 21,297 Preference (21.3 per cent.)

JFB held 15 per cent. of Greening Ordinary before the offer period.

APPOINTMENTS

Schroder Group executive posts

Mr. Mark J. Maged has been appointed a director of SCHRODERS. He is executive vice-president of Schroders Incorporated and resident in New York. Mr. John H. Bushell has been made a director of J. Henry Schroder Wagg and Co. and Mr. G. M. Brass, Mr. C. J. Cairns, Mr. D. R. Cameron, Mr. D. Davies and Mr. M. J. C. Ladenburg have become directors of that company.

★

Mr. Hugh Gardner, chairman and joint managing director of L. GARDNER AND SONS, having reached retirement age, is relinquishing the chairmanship and retiring from the Board on July 1. Mr. E. A. Todd and Mr. W. G. Thompstone, present members of the Board, are also retiring for the same reason, Mr. Todd on July 1 and Mr. Thompstone on September 1. Mr. G. N. C. Flint has been appointed to succeed Mr. Hugh Gardner as director and chairman of the company and Mr. J. K. Gardner will continue as managing director.

★

The NATIONAL BUS COMPANY has appointed Mr. John Niblock, at present group executive—marketing and operational research, to be a director of National Bus Management with responsibilities to the chief executive for NBC's central activities group. He succeeds Mr. D. W. Glassborow, who will become director of economic planning, also responsible to the chief executive. He will be assisted in this new appointment by Mr. A. Beetham, group executive—planning.

★

Mr. John H. Chislett has been appointed chief executive of Wolseley-Hughes Merchants and a director of Wolseley-Hughes in succession to Mr. W. T. Pearson who has resigned from the Board to join Craham Building Services.

Mr. A. J. Kendrick has been appointed chief executive of the gardening and horticultural equipment division and a director of Wolseley-Hughes.

★

Mr. E. P. Hatchett, joint secretary and investment manager of the Prudential Assurance Company is to retire on October 31. Mr. G. J. Titford, deputy investment manager, is also relinquishing his appointment on June 30 to take up a post outside the company. Mr. R. E. Artus is to be joint secretary and investment manager from November 1. Mr. B. Medhurst will be deputy investment manager from July 1. Mr. D. C. Bourdon will become assistant general manager—group corporate planning from July 1 and will be succeeded by Mr. J. Hasloch as assistant general manager (Management Services—DP and O & M).

★

Mr. A. A. Brown has been appointed managing director of the FAIREY COMPANY. He succeeds Mr. R. W. Holder who is to become chairman when Sir Joseph Hunt retires later this year. Mr. Brown joined the group in 1971 as managing director of Fairey Engineering and was appointed a director of the Fairey Company in 1973.

★

The DESIGN COUNCIL has appointed Mr. David Barnett as head of industrial design. He succeeds Mr. Dan Johnston, who is retiring.

★

Five regional directors have been appointed by UNITED DOMINIONS TRUST. They are Mr. P. J. A. Bertram (Birmingham); Mr. G. Gillespie (Manchester); Mr. R. E. W. Sparks (Bristol); Mr. E. C. Turk (London); and Mr. L. Watson (Edinburgh).

★

Dr. G. B. Turner will take over as chairman of BRITISH CELANESE on July 1, 1975, retaining the position of managing director. The Courtaulds main Board director monitoring British Celanese will be Mr. C. A. Hogg, the former chairman. The new arrangement will give Mr. Hogg more time for his other Courtaulds Group activities. Dr. W. J. Bushell will retire from the Courtaulds Ltd. Board after the annual meeting on July 23, after 28 years' service with the group. Dr. R. F. Followell will succeed Dr. Bushell as chairman of the COURTELLE DIVISION in July and will also succeed Dr. Bushell as chairman of the Worsted Spinning Division. The Courtaulds main Board director monitoring the Courtelle Division and Worsted Spinning Division will be Mr. J. P. Koppel, one of the two group deputy chairmen.

Sir John Colville, CB, CVO, has been elected deputy chairman of the OTTOMAN BANK COMMITTEE in London in place of Mr. M. J. Babington Smith, CBE, who was recently elected chairman.

★

Mr. J. K. Laurence is to join the Board of ESTATES AND GENERAL INVESTMENTS and become chairman in place of the late Sir Leonard Dyer. Mr. Laurence is a senior partner of Hays Allan, and a director of a number of companies.

★

Mr. J. Addison has been appointed to the Board of COUNTER PRODUCTS MARKETING.

★

Mr. C. W. R. Hutchison and Mr. K. E. Atha have joined the Board of LONDON AND MIDLAND INDUSTRIALS.

★

Mr. M. Ulfane has joined the Board of WESTOOL.

★

Mr. F. L. Garner, vice chairman of Pearl Assurance Company has been appointed a director of NEW LONDON PROPERTIES in place of the late Mr. E. F. J. Plumridge.

★

Mr. Herbert Toogood has been appointed vice chairman of the CO-OPERATIVE WHOLESALE SOCIETY. He replaces Mr. W. T. Welch who retired at the last general meeting.

★

Sir Philip Allen and Sir James Starritt have been appointed as part-time members of the GAMING BOARD FOR GREAT BRITAIN for three years from July 1. Capt. Richard Stanley has been reappointed for two years from the same date. Sir Randulph Bacon is retiring on June 30 after seven years on the Board.

★

Mr. Malcolm Hume and Mr Derham O'Neill have been appointed managers of Brown Shipley and Co. from July 1.

★

Sir Maurice Banks is retiring as a director of the LAIRD GROUP and as chairman of the Board from Monday. Sir Ian Morrow will take over as non-executive chairman.

★

Mr. N. F. Oppenheimer, following his return to Johannesburg, has joined the gold division of the ANGLO AMERICAN CORPORATION OF SOUTH AFRICA and has been appointed a member of the gold executive. He has also been elected chairman of East Daggafontein Mines and of the South African Land and Exploration Company.

★

Mr. H. Bieber has been appointed managing director of INTERNATIONAL COMBUSTION AFRICA from July 1, and he takes over from Mr. J. T. Inglis, finance director of International Combustion (Holdings) in the U.K., who has been acting managing director for the past five months.

★

Mr. W. T. Pearson is to become managing director of GRAHAM BUILDING SERVICES on the retirement of Mr. David Graham in September. Mr. Pearson was previously with Wolseley Hughes. GBS is a subsidiary of Thomas Tilling.

★

Mr. S. Wainwright has become chairman of STOTHERT AND PITT in place of the late Sir Richard Clarke.

★

Mr. R. Bundy has been appointed a director and general manager of ALDRIDGE TOOL (HEAT TREATMENT), a subsidiary of the Sheffield Twist Drill and Steel Company.

★

Mr. Ken Green has been appointed to the main Board of DUST CONTROL EQUIPMENT as technical director.

★

Mr. Huw P. Wheldon was appointed as chairman of the Court of Governors of the LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE. Mr. John M. Gullick has been reappointed as vice-chairman. The chairmanship has been vacant since the death of Sir Morris Finer.

★

Mr. D. B. Cobb has been appointed chairman of the ROWBOTHAM SHIPPING GROUP from Monday and replaces Mr. R. A. Rowbotham, who retires to give more time to his family insurance interests.

★

At the Dijon Conference of the INTERNATIONAL FEDERATION OF PUBLIC WAREHOUSING ASSOCIATIONS Mr. W. P. Daetwyler was appointed president for 1975-76 and Mr. J. W. Fearnley vice-president. Mr. S. G. Burgess has been re-appointed secretary.

★

Mr. David Glencross has been appointed to be head of programme services at the INDEPENDENT BROADCASTING AUTHORITY on the retirement of Mr. Joseph Weltman at the end of this year. Mr. Glencross is at present senior programme officer at the Authority.

★

Dr. Kenneth Duncan has been appointed HEALTH AND SAFETY EXECUTIVE'S first director of medical services from September 1.

★

The following officers have been appointed by the FEDERATION OF CONCRETE SPECIALISTS. Mr. C. A. Rackham, chairman; Mr. P. C. Rouse, vice-chairman, and Mr. D. W. R. Wyatt, treasurer. The previous chairman, Mr E. A. Tetlow has resigned on leaving the concrete industry.

★

Sir Lennox Berkeley has been elected president of the PERFORMING RIGHT SOCIETY in place of the late Sir Arthur Bliss. Mr. Vivian Ellis has become deputy president.

This week's SE dealings

Friday, June 27	5,762	Tuesday, June 24	6,109
Thursday, June 26	6,104	Monday, June 23	4,845
Wednesday, June 25	8,227	Friday, June 20	4,743

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of the London Stock Exchange have been recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

COMMODITIES/Review of the week

Weaker sterling boosts prices

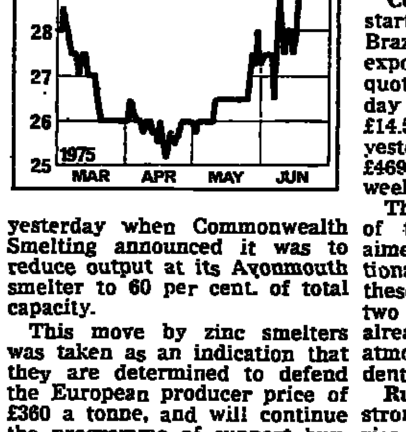
BY OUR COMMODITIES STAFF

THE FURTHER decline in the value of sterling was the main influence behind the firm tone of metal markets this week. Copper cash wirebars moved up yesterday by £8.75 to £543 a tonne, £22.5 higher than a week ago, despite another rise in warehouse stocks and the forecast of a further substantial increase. The nervousness about currency values generally, and sterling in particular, encouraged fresh speculative interest and "investment" buying.

Tin values in London also advanced, despite the Straits tin price in Malaysia easing slightly to $M932 a picul at the beginning of the week.

Standard grade cash tin gained £62 during the week to £3,091.5 a tonne, while high-grade cash tin moved up by £76 to £3,105 on suspected support buying by the buffer stock of the International Tin Agreement. There was little market reaction to the terms of the new tin pact negotiated in Geneva, partly because the outcome of the adjourned Tin Council meeting in London this week was still awaited.

Reports that zinc smelters in Europe had agreed to increase production cutbacks from 25 to 40 per cent. in an effort to bring supplies more into line with poor demand received confirmation yesterday when Commonwealth Smelting announced it was to reduce output at its Avonmouth smelter to 60 per cent. of total capacity.



This move by zinc smelters was taken as an indication that they are determined to defend the European producer price of £360 a tonne, and will continue the programme of support buying to keep values on the London Metal Exchange zinc market from sinking too far below the producer level.

The weakness of sterling was also a significant supporting factor in all the major soft commodity markets this week. After trading within a fairly narrow range all week cocoa values finished at the highs with the September position at £452.75 a tonne, up £11.25 on balance. Apart from currency considerations dealer price fixing and the low level of producer offerings played a part in the rise.

Coffee prices were hit at the start of the week by news that Brazil had cut the minimum export prices and contribution quotas (export taxes). On Monday the September price fell £14.5 a tonne but by the close yesterday had recovered to £469.5 a tonne, up £2.25 on the week.

This week saw the beginning of the latest round of talks aimed at drafting a new international coffee agreement. Though these talks, in London, still have two weeks to run observers have already noted a far more positive atmosphere than had been evident at previous sessions.

Rubber values got off to a strong start following a sharp rise in the east over the weekend, and on Tuesday the RSS No. 1 spot price had reached a 1975 high of 31.5p a kilo. The spot price closed at 31p yesterday, up 2p on the week.

The sugar market also ended higher with the London daily price fixed yesterday morning at £135 a ton, up £7.

WEEKLY PRICE CHANGES

	Latest price per ton unless stated	Ch'ge on week	Year ago	1975 High	1975 Low
Metals					
Aluminium (a)	£596	—	£316.5	£594	£373.6
Free Market c.i.f.	£290-305	+12.5	£465-465	£290-305	£270
Antimony (99.6%)	£1,460	—	£1,115	£1,860	£1,460
Free Market (99%)	£1,160-1,350	-200	2,600-800	£1,300-£1,800	£1,200
Copper					
Cash Wire Bars (a)	£543	+22.5	£634.5	£586.5	£496.75
3 mths Do. Do. (a)	£561.25	+22.75	£591.5	£605.25	£516.75
Cash Cathodes (a)	£531.5	—	£836	£576.0	£488.5
3 mths Do. (a)	£549.5	—	£867	£593.5	£506.5
Gold per oz.	$165	+2.25	$145	$186	$162.75
Lead Cash § ton (a)	£161.5	+4	£226	£222.5	£145
3 months § (a)	£166.25	+5.5	£224.5	£219.375	£147.75
Nickel (r) (a)	£1,917	—	£1,525.7	£1,978	£1,792
Free Market c.i.f. lb	$180-1.95	-0.05	$2.2-2.4	$1.95	$1.71-1.2
Platinum (b) (per oz)	£69-73.5	+2	£81-85	£85	£65½-69½
Free Market per oz	£68.1	+3.1	£79¼-82¼	£89.5	£59¾
Quicksilver Flask (76 lbs)	$115-120	+2.5	$315-325	$200	$115-117
Silver per oz.	202.15p	+4.1	195.4p	205p	167.1p
3 months per oz.	207.5p	+6.25	199.4p	208.7p	172.2p
Tin Cash (a)	£3,091	+62	£3,575	£3,457.5	£2,964
3 months (a)	£3,066.5	+54	£3,652.5	£3,227.5	£2,922.5
Wolfram a ton Unit	£38-39	+1.0	£41-44	£41¼-43¼	£37¼
Zinc Cash (a)	£327.5	-2	£489	£350.5	£295
3 months (a)	£318.25	+6.75	£496.5	£354.25	£280.5
Producers (a)	£360	—	£330	£360	£360
Grains					
Barley EEC	£54.5	—	£56	£69.9	£47
Home Futures	£66.55	+1.15	£55.2	£60.2	£47.15
Maize French No.3 Yellow (American)	£55.5	+1.0	£61.75	£66.75	£48
S.A. Yellow Flint	£66	—	£60	£78.25	£58.5
Wheat No. 1 Red Spring	†	—	£94.5	£109.1	£109.1
Am. No. 2 Hard Winter	£83.55	-2.5	£59	£99.5	£85.6
Australian					
Eng. Milling	£57.5	+2.6	£61.5	£66.75	£50.0

	Latest price per ton unless stated	Ch'ge on week	Year ago	1975 High	1975 Low
Spices					
Cloves (q)	£2,400	—	£2,450	£2,450	£2,350
Pepper, White (q)	£870	+20	£930	£949	£825
Black (q)	£650	+15	£660	£825	£620
Oils					
Coconut Malaysian	£160*	—	†	£175	£160*
Groundnut 5% (u)	†	—	£452	£498	£338
Linseed, Crude (u)	£435	-15	£544	£620	£392
Palm Malayan (q)	£164	+10	£236	£207	£140
Soyabean Eur'p'n (t)	†	—	†	—	—
Seeds					
Copra (Philippines) (q)	$235	+10	†	$446	$320
Groundnuts Nig (u)	†	—	†	—	—
Linseeds, can. No. 1 (q)	£156	-4	£206	£239.5	£157.5
Other Commodities					
Cocoa Shipment (a)	£527.6	+12.6	£979	£796	£515
F'ts 2nd pos.	£462.75	+11.25	£730	£693.75	£441.5
Coffee Shipment (c)	†	—	62.5	49	47
Future 2nd position	£469.5	+2.25	£529	£469.5	£392.75
Cotton outlook "A" Index cts./lb.	54.2	+0.15	62.35	54.45	46.3
Des Coconut (a)	£515	+10	£540	£336	£280
Jute U.A BWC grde	£200	—	£170*	£244	£200
Rubber Kilo	31.0p	+2	30p	31.5p	23.0p
Sago Pearl (q)	£148	—	†	£162	£145
Sisal E.A. No. 1 (a)(s)	$650*	—	$1,110	$1,125	$625
No. 3 L. (a) (s)	$600*	—	$1,090	$1,105	$600
U.G. (a) (s)	$480*	—	$1,070	$1,070	$430
Sugar (q)	£135	+7	£234	£480	£123
Sulphur (y)	$25	—	$26	$26	$26
Tapioca No. 1 (q)	£123	—	£120	£131	£118
Tea (quality) kilo	72p	—	78p	72p	64p
(plain) kilo	68p	-1	62p	59p	54p
Wooltops 64s Warp.	190p kilo	—	212p kilo	197p kilo	172p kilo

§ Official close. † Unquoted. * Nominal. b U.K. and Commonwealth refined. c Uganda Robusta 18 unwashed f.o.b Mombasa indicative price. g Madagascar. h Delivered. Delivered U.K. f.o.b. Liverpool. q C.i.f. Continental port. Ex tank Rotterdam. p Ex tank U.K. y 99.9 per cent. sulphur liquid c. and f. North-West European port. n Medium Metric ton. s Sisal quoted in U.S. $ from 19/12/73.

MARKET REPORTS

BASE METALS

COPPER—Up again on the London Metal Exchange. Prices were initially firmer on consideration of the weakness of sterling but gains were subsequently eradicated by lack of physical demand coupled with expectations of a further fair-sized increase in the already record warehouse stocks figure. In the afternoon the upward movement was resumed owing to speculative short-covering and investment demand both here and in the U.S., prices here also being encouraged by the firmness of Comex. Forward metal ended at £565 on the afternoon Kerb. Over the week cash and forward metal were both around £22 higher. Turnover 16,975 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	533-.5	+1.25	542.5-3.5	+8.75
3 months	551-.5	+1	561-.5	+8.5
Settlem'nt	533.5	+1	—	......
Cathodes				
Cash	522-.5	+5.75	531-2	+10
3 months	540-.5	+5.25	549-50	+9
Settlem'nt	522.5	+5.5	—	......
U.S. Smt.	—	......	*60-63.7	......

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £534.5 to 32.5, 33.5, three months £553 to 50.5, 51.5, 51. Cathodes: cash £522, three months £539, 39.5, 40. Kerbs: Bars: three months £551, 52, 51, 50.5. Cathodes: three months £540. Afternoon: Wirebars: cash £539, 40, 43, mid July £548, three months £557, 58 to 62, 61. Cathodes: untraded. Kerbs: Bars: three months £563 61, 60 to 65.

TIN—Firmer. The weakness of sterling was the main reason behind the market's upward movement although it was thought that buying of High Grade cash metal was on behalf of the buffer stock. A further fall is expected in warehouse stocks over the week. Turnover 660 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3090-3	+12.5	3100-10	+17.5
3 months	3075-8	+4	3086-90	+11.5
S'ment	3093	+13	—	......
Standard				
Cash	3090-3	+12.5	3090-2	+5.5
3 months	3075-8	+4	3086-7	+10
S'ment	3093	+13	—	......
Straits E.	†$932	......	—	......
New York	—	......	346.75	......

Morning: Standard: cash £3,093, 3,090, three months £3,075, 77, 78. High Grade untraded. Kerbs: Standard: cash £3,093, three months £3,078. Afternoon: Standard: cash £3,100, mid July £3,095, early Aug. £3,093, three months £3,080 to 88, 87. High Grade: cash £3,095, 3,100, three months £3,092. Kerbs: Standard: cash £3,095, 3,100, three months £3,086, 88.

LEAD—Turned upwards reflecting the tone of other metals and despite forecasts of a fair-sized increase in warehouse stocks. Turnover 4,075 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	159.5-60.5	+.25	161-2	+1.5
3 months	165-.5	+1	166-.5	+1
S'ment	160.5	+.5	—	......
N.Y. Spot	—	......	19-22½	......

Morning: cash £160, three months £165, 64, 64.5, 64, 64.5, 65. Kerbs: three months £165. Afternoon: three months £166, 67, 66.5, 66. Kerbs: three months £166, 66.5.

ZINC—Irregular. Cash metal was held steady by renewed support buying at around the £328 level but forward eased in quiet trading. Forecasts of a fall in warehouse stocks had little market impact as substantial arrivals are expected in the next few weeks. Turnover 2,450 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	327.5-8	-1.5	327-8	......
3 months	317-8	-1.5	318-.5	-.25
S'ment	328	-1.5	—	......
Prim. West	—	......	*38½-9	......

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Morning: cash £329, 28, 27, 27.5, 28, three months £318, 18.5, 18, 17. Kerbs: three months £317. Afternoon: early July £326, three months £318. Kerbs: cash £328, late July £328, mid July £327.

SILVER

Silver was fixed 0.15p an ounce higher for spot delivery in the London bullion market yesterday, at 202.15p. U.S. cent equivalents of the fixing prices were: spot 451.7c, down 1.5c; three-month 459.5c, down 1.5c; six-month 467.5c, down 1.8c; and 12-month 488.0c, down 2.2c. Conditions were active. The spot price opened at 201.5-202.5p (451.5-454.5c), and although 202-203p (451-453c) ahead of the fixing, closed at a day's peak of 205.5-206.5p (457.5-459.5c), against Thursday's 203.4-204.4p (456.5-459.5c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	202.15p	+0.15	205.5p	+2.2
3 months	207.5p	+0.2	210.7p	+3.05
6 months	213.4p	+0.2	......	......
7 months	—	......	218p	+5.15
12 months	226.8p	+0.2	—	......

LME—Turnover 149 (140) lots of 10,000 ozs. Morning: three months 207.5, 7.6, 7.7, 7.8. Kerbs: three months 207.6, 08. Afternoon: three months £210, 10.2, 10, 10.1, 10.2, 10.3, 10.4, 10.5, 10.7, 10.5, 10.7. Kerbs: three months 210.9, 11, 11.5, 11.3.

COCOA

Market held steady at opening levels in quiet conditions. Origin and manufacture interest very limited, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No4 Contract			
July	452.5-53.5	+4.5	454.0-48.0
September	452.5-53.0	+5.0	453.0-46.0
December	461.0-61.5	+4.5	462.0-56.5
March	468.0-68.5	+2.5	470.0-63.0
May	470.5-74.0	+5.0	470.0
July	474.0-75.0	+4.0	475.0-73.0
September	474.0-80.0	+4.5	—

Sales: 2,097 (1,759) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 43.49 (43.90) U.S. cents per pound; Indicator 15-day average 44.60 (44.80); 22-day average 45.42 (45.70).

COFFEE

Robusta terminal moved higher during the afternoon on dealer and Commission House buying and some stop-loss orders in a rather thin and nervous market. But pre-weekend book-squaring caused irregular price movements at times and at the close on balance gains ranged from £10 to £4 per tonne. Aiding sentiment was the weakness of sterling and reports from Angola that a heavy back-log exists in the Port of Luanda and that loading of ships was slow compared with the pre-strike period.

Arabicas were 25 points lower to 25 points higher.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	474.0-74.5	+10.75	476.0-64.0
September	469.0-70.0	+8.50	474.0-66.0
November	463.5-64.0	+4.50	469.0-57.0
January	461.5-62.0	+3.75	464.0-57.0
March	463.0-64.0	+5.0	464.0-60.0
May	467.0-68.0	+6.0	467.0
July	470.0-71.0	+7.0	470.0

Sales: 306 (590) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents per pound: Colombian Mild Arabicas 72.00 (72.38). Other Mild Arabicas 53.25 (54.25). Unwashed Arabicas Santos Fours 68.50 (same). Robustas 49.03 (49.69). Daily average 60.25 (60.36).

ARABICA CONTRACT (in order buyer, seller, business, sales): June 62.10-63.50, nil; Aug. 65.00-65.20, 65.10-65.00, 11; Oct. 64.40-64.50, nil; Dec. 64.70-65.00, nil; Feb. 64.90-65.40, nil; April 65.00-65.60, nil; June 65.20-66.00, nil. Sales 11.

FREIGHTS

DRY CARGO—A slight improvement developed in the volume of chartering with a very steady tendency evident in the early positions for North American grain but most other sections remained depressed. Grain cargoes were arranged from the U.S. Gulf to Antwerp/Hamburg range at $6.75 f.i.o. for June-July and St. Lawrence Antwerp Rotterdam or Amsterdam at $6 f.i.o. June-July also Baltimore Tilbury at $6.50 f.i.o. June-July. Other grains fixtures included U.S. Gulf Venezuela at $9 f.i.o. June and River Plate East Coast Mexico at $15 f.i.o. July while a cargo South Brazil Ghent/Hamburg paid $9.50 f.i.o. July. Two cargoes of maize were fixed South Africa three ports Japan at $12.75 free discharge spot and July. In the ore section business developed Tubarao Baltimore at $3.10 f.i.o. July and Tubarao Continent at $3 f.i.o. July.

OIL TANKERS—A firm market again with owners becoming more "bullish" as demand increases and more tankers go into lay-up to try to balance supply and demand. Amoco is reported to have taken a VLCC (over 200,000 tons) from Persian Gulf to West, prompt loading, at Worldscale 24, and Spanish charterers, Hideca, fixed another VLCC from Persian Gulf to West on July 10 at W25. "It was a firm market in all areas," said one broker. See Page 9.

RUBBER

SLIGHTLY EASIER opening on the London physical market. Fair demand throughout the day. Closing steadier. Lewis and Peat reported a Malaysian go-down price of 125 cents a kilo (buyer, July).

No. R.S.S.	Yesterday's close	Previous day's close	Business done
Aug.	33.00-33.75	32.80-33.40	—
Sep.	33.50-34.00	32.70-33.00	—
Oct.-Dec.	34.10-34.20	33.95-34.00	34.10-34.00
Jan-Mar	35.55-35.65	35.38-35.40	35.60-35.28
Ap-Jun.	36.75-36.80	36.50-36.60	36.35-36.50
Jly-Sept	37.50-37.55	37.30-37.35	37.50-37.45
Oct-Dec	38.20-38.50	38.15-38.20	—
Jan-Mar	38.60-38.80	38.55-38.70	38.65-38.60
Ap-Jun.	39.25-39.50	39.30-39.35	39.25

Sales: 97 (336) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 31.0p (same); August 28.25p (same); Sept. 29.15p (28.75p).

SOYABEAN MEAL

	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
August	72.7-76.4	+0.40	—
October	73.8-74.4	+0.85	73.90-73.5
December	74.0-74.4	+0.80	73.90-73.7
February	75.4-75.9	+0.75	—
April	76.4-78.6	+0.55	—
June	78.1-78.4	+0.80	—
August	79.2-78.6	+0.55	79.1

Sales: 31 (135) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Higher at £135 (£130) a ton c.i.f. for June-July shipment.

The market opened on a steady note with good trade buying interest and only scale up selling until it reached the £130 level basis October. Some nervous short-covering during the early afternoon took quotations £2 higher before disappointing New York advices halted the advance quite abruptly. Values lost some 400 points in a short period time with aggressive arbitrage selling in evidence in spite of the weakness in sterling. Last minute week-end short covering lifted prices slightly by the close.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	133.00-34.00	126.00-27.00	138.00-26.00
Oct.	128.85-28.00	121.00-21.60	131.75-21.50
Dec.	127.75-28.00	120.50-20.75	130.95-21.00
March	127.75-28.00	121.25-21.50	131.00-23.00
May	127.80-28.25	121.35-21.60	131.90-24.00
Aug.	128.50-28.80	125.25-25.50	131.25-24.00
Oct.	128.00-29.00	122.80-25.00	130.60-24.00

Sales: 2,453 (2,837) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £281.90 (same) a long ton for home trade and £230 (£225) a long ton for export.

EEC IMPORT LEVIES—Effective for June 28 in units of account per 100 kilos: White 3.58. Raw 5.15.

WOOL FUTURES

LONDON—Market unchanged to a shade easier, especially on nears, reports Bache.

(Pence per kilo)

Australian Greasy wool	Yesterd'ys close	+ or —	Business Done
July	155.0-57.0	-1.0	156.5
October	159.0-62.0	-3.5	162.0
December	162.0-66.0	-2.0	165.0
March	171.0-73.0	-0.25	—
May	172.5-76.0	-1.25	—
July	175.0-78.0	-0.5	—
October	177.0-80.0	-0.25	—
December	179.0-80.5	-0.75	—

Sales: 7 (3) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business)—July 242.0-242.3, 245.0-242.3, 46; Oct. 251.2-251.3, 253.0-251.0, 41; Dec. 255.5-256.0, 257.0-255.5, 46; March 259.5-260.0, 261.0-259.5, 16; May 261.0-261.5, 262.5-261.0, 7; New July 261.5-262.0, 263.0-262.0, 13; New Oct. 262.0-262.5, 264.0-262.0, 16; New Dec. 262.2-262.5, 264.0-262.1, 12. Sales: 180.

GRAINS

THE BALTIC—All sections of the imported grains market remained subdued with dealers generally reluctant to operate in view of the current weakness in sterling.

Wheat: U.S. Dark Northern Spring No. 2 14 per cent. July £76.50, Aug. £75.10 direct Tilbury: U.S. Hard Winter No. 2 13½ per cent. July £68.35, Aug. £69.65 direct Tilbury: EEC Milling July £57 West Coast quoted.

Maize: No. 3 Yellow American/French July £55.50, Aug. £58.75 transhipment East Coast: South African White Dent Aug. £66.00 seller Glasgow: South African Yellow Flint Aug. £65.00 seller Glasgow.

Barley: EEC Feed June and July £54.50 transhipment East Coast. Rest unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA). Wheat, fully steady. Close: Sept. £59.00, Nov. £61.45, Jan. £63.70, March £65.55, May £67.25. Business: Sept. £59.00-£58.65, Nov. £61.50-£61.05, Jan. £63.60-£63.30, March £65.50-£65.25, May £67.20-£67.00. Barley. Fully steady. Close: Sept. £58.55, Nov. £58.40, Jan. £60.55, March £62.40, May £64.00. Business: Sept. £56.70-£56.25, Nov. £58.50-£57.70, Jan. £60.60-£59.90, March £62.50-£62.35, May nil.

HGCA—Location ex-farm spot prices: Soft milling wheat: Lincoln, £53.90. Feeding barley: Aberdeen 47.85, Lincoln £50.85.

MEAT/VEGETABLES

SMITHFIELD—No carcase meat prices.

MEAT COMMISSION average fatstock prices at representative markets on June 27: U.K.—Cattle, £19.14 per live cwt (−0.92); Sheep, 35.7p per pound e.d.c.w. (−1.5); Pigs, £4.18 per sc. l.w. (−0.01). England and Wales—Cattle numbers up 8.7 per cent., average price £20.11 (−0.68); Sheep up 6.6, 35.8p (−1.7): Pigs up 6.7, £4.18 (−0.01). Scotland—Cattle up 27.4, £21.28 (−1.11); Sheep down 11.9, 31.3p (−1.0); Pigs nil.

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Brazilian: 2.80-2.96; Cyprus: 2.40-2.70; South African: 2.90-3.25. Grapefruit—Jaffa: 2.50-3.50; South African: 2.90-3.70.

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for June-July shipment: BWB £201, BWC £194, BWD £187. Tossa: BTB £203, BTC £196, BTD £189. Calcutta goods quiet. Quotations c. and f. U.K. for June shipment: 10-ozs 40-inches £5.81, 7½-ozs £5.17 per 100 yards, July £6.99 and £5.28, Aug.-Sept. £7.12 and £5.39. B Twills £22.58, £22.71 and £22.61 for the respective shipment periods. Yarns and cloths very quiet.

LONDON—Quiet. Bangladesh White C grade June-July £200. D grade June-July £193. A long ton.

CALCUTTA—Steady. Indian June-July Rs.475 value. Dundee Daisee June-July Rs.430 value. A bale of 400 lbs.

★

LIVERPOOL COTTON—Spot and shipment sales amounted to 347 tonnes bringing the total for the week to 672 tonnes against 1,102 tonnes, F. W. Tattersall reports. Although demand broadened bringing additional off-take, trading was still light by recent standards. Most of the interest displayed was in Latin American and Mid Eastern growths.

★

GRIMSBY FISH—Supply poor, demand good. Prices per stone at ship's side, unprocessed: Shelf cod £1.60-£2.20; codlings £1.20-£1.80; large shelf haddocks £2.80, medium £2.30-£2.50, small £2.00; large plaice £3.00, medium £2.40, small £2.20; skinned dogfish £3.60, medium £2.80; coalfish £1.20-£1.30; rockfish £1.40; lemon soles £3.50; reds £1.20.

★

COPRA—Philippines: July and Aug. $235 re-sellers per tonne c.i.f. North European ports.

FINANCIAL TIMES

June 27	June 26	Month ago	Year ago
157.54	157.98	152.85	208.78

(Base: July 1, 1952=100)

REUTER'S

June 27	June 26	Month ago	Year ago
1056.9	1051.5	1072.0	1245.4

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	June 27	June 26	Month ago	Year ago
Spot	266.97	264.69	269.61	351.51
Futures	243.76	242.32	248.38	312.85

(Average 1924-25-26=100)

MOODY'S

Moody's	June 27	June 26	Month ago	Year ago
Spl'e Comm'ty	735.8	739.2	715.7	822.5

(Dec. 31, 1931=100)

U.S. Markets

Silver down but copper advances

NEW YORK, June 27.

SILVER closed lower in featureless trading while copper advanced despite expectations of new record LME stock levels on Monday. Cocoa finished higher despite a weaker sterling short-covering and trade buying pushed sugar limit-up. Chicago grains finished lower across the board as favourable weather reports and the resumption of the wheat harvest prompted heavy commercial selling, Bache reports.

Cocoa—Ghana spot 64½ (64½). Bahia spot 51½ (51½). July 47.30 (46.85), Sept. 42.45 (42.10), Dec. 41.45, March 41.80, May 42.10, July 42.60, Sept. unquoted. Sales 771.

Coffee—Spot Santos No. 4 unquoted (unquoted). Colombian Mams unquoted (unquoted). "C" Contract: July 52.50-53.00 asked (52.35), Sept. 55.35-55.45 (54.75), Nov. 56.10-56.35 asked, Dec. 56.25, March 56.65-57.00 asked, May 57.00-57.50 asked. Sales 138.

Copper—July 54.70 (53.80), Aug. 55.10 (54.10), Sept. 55.50, Dec. 57.00, Jan. 57.50, March 58.50, May 59.40, July 60.20. Sales 2,503.

Cotton—July 46.65 (46.70), Oct. 48.00 (48.45), Dec. 48.98-49.00, March 49.95, May 50.70-50.78 asked, July 51.33-51.53 asked, Oct. 52.10 bid, Dec. 52.20-52.45 asked. Sales 1,600.

♣Gold—July 166.70 (164.70), Aug. 167.90 (166.00), Sept. 169.20, Oct. 170.60, Dec. 173.20, Feb. 175.50, April 178.40, June 180.90, Aug. 183.40, Oct. 185.90. Sales 3,205.

Greasewool—Spot 133.5 nom. (same). July 134.0 bid (134.0), Oct. 137.0 bid (137.0), Dec. 138.0 bid, March 140.0-142.0 asked, May 140.0-145.0 asked, July 140.0 bid, Oct. 140.0 bid.

†Lard—Chicago loose 33 bid (32 asked). NY drummed 39 nom. (38 nom.).

††Maize—July 275½-276½ (282½), Sept. 250½-250½ (259½), Dec. 257-257½, March 244½-245, May 248½, July 251½.

‡Platinum—July 154.10 (152.00), Oct. 157.40 (155.10), Jan. 160.50, April 164.20 asked, July 167.00, Oct. 170.50-170.70 asked. Sales 732.

‡‡Silver—Spot 438.00 (437.00), July 456.80 (453.50), Aug. 460.00 (457.00), Sept. 463.60, Dec. 474.00, Jan. 477.30, March 484.10, May 490.80, July 497.40, Sept. 503.90. Sales 6,907.

*Soyabeans—July 510-511 (521½), Aug. 507 (514½), Sept. 498, Nov. 499-500, Jan. 506, March 515, May 520-521, July 526, Aug. 527-528 asked.

bSoyabean Meal—July 120.50-120.20 (120.90), Aug. 122.50 (122.20), Sept. 123.50-124.00, Oct. 125.00-125.50 asked, Dec. 128.00, Jan. 130.00-130.50 asked, March 132.50-133.00 asked.

Soyabean Oil—July 22.75-22.90 (22.75), Aug. 21.67-21.75 (22.67), Sept. 20.80-20.90, Oct. 20.20, Dec. 19.40-19.45, Jan. 19.10, March 19.10, May 19.10, July 19.00, Aug. 18.80-19.00 asked.

Sugar—Spot 13.30 (12.60), July 13.60-13.50 (12.58), Sept. 12.55-12.65 (11.65), Oct. 12.50-12.55, Jan. 12.31 nom., March 12.20-12.22, May 12.25, July 12.15-12.20 asked, Sept. 12.15-12.20 asked, Oct. 12.15-12.19 asked. Sales 6,194.

Tin—321.00-372.50 nom. (same).

**Wheat—July 301-301½ (307½), Sept. 307½-308 (313½), Dec. 315-319, March 325½, May 330.

WINNIPEG June 27. ††Rye—July 217½ (218½ bid), Oct. 218 asked (218½ bid), Dec. 213 asked, May 210 nom.

‡Oats—July 162½ (162½ bid), Oct. 148½ asked (148½ bid), Dec. 145½, May unquoted.

§Barley—July 223 (same), Oct. 210½ bid (213½ asked), Dec. 207 asked, May 215 asked.

dFlaxseed—July 770 (same), Oct. 756 (756 asked), Nov. 717 asked, Dec. 690 nom., May 660 nom.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 402½ (461½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. ♣ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. NY. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. ‡ Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

JUNE 27

Acmex Hldgs. 20⊕
Amalgamated Petroleum 5⊕
Australian Mining and Smelting 125
Bougainville Copper 98
British Controlled Oilfields 24⊕
Ciba Geigy 7¼pcConv. £84. 8pcConv. £101
Colonial Sugar Refineries 410
Commercial Bank of Australia (Aust. Reg.) New 85
Esperanto Bay 5
Giant Yellowknife Mines 810⊕
Homestake Mines £41¼⊕ 20
Indonesia Consolidated 11⊕
Jardine Matheson 348
Marra Developments 3½
Metal Exploration 34⊕ 5
Mining Cpn. (Aust.) 85⊕
National Bank of Australasia (Aust. Reg.) 267
Nicholas International 37
Oakwood Mobile Homes 485⊕
Oil Search 30½
Pancontinental Mining 340
Peko Wallsend 280
Poseidon 300½⊕ 25
Questor Cpn. 330½
Repco 68
Sabina Industries 67
Selangor Coconuts 34⊕
Stellenbosch Wines 375
Swan Brewery 133
Timor Oil 8½
TriContinental £15
Unilever N-V (Fls.20) $US43¾
Wheelock Marden A 57½ 7
Woolworth Hldgs. A 295
Yukon Consolidated 61

JUNE 26

Anglo United Developments 70⊕
Badische Anilin and Soda Fabrik $US50½
Cleveland Tin 10½
Davies (Hubert) 125⊕
Eastman Kodak £77¼⊕
E.Z. Inds. 218⊕
Endeavour Oil 14⊕
Inland Natural Gas 710
Jennings Inds. 88
Karstadt $US195
Mid East Minerals 15
Myer Emporium 146
Natal Chemical Syndicate 140 1

(By permission of the Stock Exchange Council)

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (30)

COMMONWEALTH & AFRICAN LOANS (1)
AMERICANS (14)
CANADIANS (4)
BEERS (1)
INSURANCE (1)
SOUTH AFRICANS (3)
TOBACCOS (1)
OILS (1)
MINES (4)

NEW LOWS (15)

BEERS (1)
ENGINEERING (1)
FOODS (1)
HOTELS (2)
INDUSTRIALS (1)
MOTORS (1)
PAPER, PRINTING (1)
PROPERTY (3)
SHIPBUILDERS (1)
TRUSTS (1)
Northborough Inv.
MINES (2)

RISES AND FALLS

	Up	Down	Same
British Funds	5	43	3
Corpns. Dom. and *Foreign Bonds*	4	19	50
Industrials	154	640	955
Financial and Prop.	37	292	254
Oils	10	7	15
Plantation	3	5	40
Mines	35	29	27
Recent Issues	3	27	30
Totals	251	1,059	1,469

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	19	250	− 9	302	118
Glaxo 'New'	Nil/pd.	18	118*	−12	192*	127*
Marks & Spencer	25p	15	*191*	− 3	256	95
GKN	£1	11	218	− 7	277	95
Nat. West'ster Bk.	£1	11	215	− 1	275	88
Bowater	£1	10	137	− 7	185	50
Bats	25p	10	297	− 4	338	164
Shell Transport	25p	10	306	+ 1	343	118
Grand Met.	50p	9	59	− 3	69	19½
Long John Intl.	50p	9	222	+55	225	53
Lonrho	25p	9	121	− 8	159	68
Boots	25p	8	199	− 5	276	91
Distillers	50p	8	130	− 2	149	65½
Slater Walker	25p	8	65	− 1	108	27

ON THE WEEK—

Stock	*Denomination*	*No. of marks*	*Closing price (p)*	*Change on week*	*1975 high*	*1975 low*
Glaxo 'New'	Nil pd.	116	118*	−42	192*	127*
ICI	£1	111	250	−34	302	118
Shell Transport	25p	74	306	−13	343	118
Bowater	£1	64	137	−23	185	50
Bats	25p	64	297	−26	338	164
Marks & Spencer	25p	64	191	−27	256	95
Boots	25p	62	199	−40	276	91
Distillers	50p	62	130	−13	149	65½
GKN	£1	62	218	−27	277	95
Barclays Bank	£1	59	265	−38	325	112
BP	£1	58	503	−29	535	190
Midland Bank	£1	58	235	−38	365	122
Ever Ready 'New'	Nil pd.	55	4*	− 5	16*	2*
GUS 'A'	25p	55	158	−23	226	86

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jun. 24	July 7	Sept. 18	Sept. 30
July 8	*July 21*	*Oct. 8*	*Oct. 14*
July 22	Aug. 4	Oct. 16	Oct. 28

"Calls" were dealt in Dutton Forshaw, ICI, *Grand Metropolitan* and warrants, Trafalgar House "B" warrants, Lec Refrigeration, Cavenham warrants, Lonrho, Land Securities, *English Property*, *Amalgamated* Investment, Ultramar and Charterhall Finance.

Industrials							
		Inchc. Met.	9	Saint Water	15		
		G.U.S. 'A'	20	Spillers	7	Mines	
A. P. Cement	20	Guardian	20	Tesco	6	Anglo Amer.	50
Assoc Leisure	5	G.K.N.	28	Thorn 'A'	20	Broken Hill Pr.	75
Barclays Bank	35	Hawker Sidd.	30	Tube Invest.	30	Charter Cons.	22
Beecham	28	House of Fraser	10	Unilever	40	Chart'rh'll Fin.	8
Boots Drug	24	Hudson Whine.	5	Utd. Drapery	12	Cons Gold	25
Bowaters	20	I.C.I.	24	Vickers	16	De Beers Def.	25
B.A.T.	35	*"Imps"*	7	Woolworths	6	*F. S. Geduld*	350
British Leyland	1¼	I.C.L.	7			Great Boulder	12
British Oxygen	6	Inveresk	10	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
Cadburys	6	Lloyds Bank	30	E.P.	11	Kinan	140
Courtaulds	14	"Lots"	7	Int. Europe.	7	Lonrho	19
Debenhams	11	"Mams"	9	Land Securities	22	Loraine	55
Distillers	15	Marks & Sp'ncer	25	Peachey	7	Metals Explor.	8
Dunlop	6	Midland Bank	32	Town & City	6	Poseidon	55
Eagle Star	16	Nat'l West Bank	30	Town & Comm.	7	Pres. Steyn	275
E.M.I.	20	P & O Dfd.	16			Rio T-Zinc	20
First National	5	Plessey	10	Oils		Walkom	55
G.R.A. Trust	7	R.H.M.	7	Brit. Petroleum	45	West Areas	75
Gen. Accident	16	Rank Org. 'A'	25	Burmah Oil	6	Western M'ng.	15
Gen. Electric	14	Reed Int'l.	28	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barking (01-592 4500)	11½	½-year	1,000	2-5
Burnley (0282 25011)	12	½-year	1,000	3-5
Dudley (0384 211595)	12¼	½-year	1,000	3-4
Exeter (0392 77888)	11¾	½-year	500	3-5
Greenwich (01-583 8888)	12	½-year	500	3-5
Liverpool (051 227 3911)	12	½-year	500	3-4
Liverpool (051 227 3911)	12¼	½-year	500	5-7
Redbridge (01-478 3020)	12¼	½-year	5,000	3-5
Sandwell (021 569 2226)	12	½-year	1,000	2-5
Sefton (051 922 4040)	12¼	½-year	2,000	3-5
Thurrock (0375 5122)	11¾	½-year	300	1-2
West Yorks. (0924 75234)	12	½-year	1,000	3-4

U.K. CONVERTIBLE STOCKS

27/6/75

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.◊	Cheap(+) Dear(−)◊ Current
Acrow Engineers 8pc P. Cv. 92-02	7.38	50.00	●	77-87	16.0	16.2	99.4	73 to 120	16.6	44.9	112.7	−13.4
Alcan Aluminium 9pc Cv. 89-94	12.00	70.00	100.0	76-80	12.8	13.4						
Associated Paper 9½pc Cv. 85-90	1.40	70.00	200.0	76-85	14.4	15.4	55.0	9 to 56	51.3	52.6	3.0	−52.6
Bank of Ireland 10pc Cv. 91-96	10.25	127.00	23.8	77-90	8.0	7.3	18.3	11 to 35	45.3	62.7	16.2	− 2.4
BPB 7¾pc Cv. 89-94	5.00	70.00	62.0	72.80	11.4	12.1	19.8	12 to 35	24.1	27.8	6.3	−13.5
English Property 6½pc Cv. 98-03	*19.98*	*151.00*	*234.0*	*76-80*	*4.3*	*3.4*	*3.2*	*−20 to 4*	*32.8*	*23.3*	*−6.4*	*− 9.7*
Grand Metropolitan 10pc Cv. 91-96	121.90	83.50	120.2	73-78	12.3	12.6	10.3	6 to 22	15.2	21.1	7.8	− 2.5
Hanson Trust 6½pc Cv. 88-93	4.51	92.50	57.1	76-86	7.2	7.4	12.4	5 to 28	32.6	35.8	3.9	− 8.5
Hewden-Stuart 7pc Cv. 1995	0.86	155.00	280.0	75-95	4.6	3.4	2.5	−37 to 3	56.6	48.0	−5.7	− 8.2
Lyons, J. 7½pc Cv. 1981	3.60	72.00	22.7	75-81	10.3	14.8	108.4	90 to 158	13.7	29.5	45.7	−62.7
Mercantile Credit 9pc Cv. 1980	12.68	76.00	138.0	76-80	12.3	16.9	175.4	62 to 175	0.0	30.3	109.7	−65.6
Scottish Automobile 10pc Cv. 85-90	2.00	55.00	166.0	75-85	18.4	19.4	22.7	− 5 to 38	42.0	51.3	20.7	− 2.0
Tozer, Kemsley 8pc Cv. 1981	7.33	85.00	153.8	74-79	9.6	11.7	34.8	23 to 60	15.8	24.2	13.3	−21.5
Wilkinson Match 10pc Cv. 83-98	11.10	82.00	40.0	76-83	12.2	12.3	60.2	41 to 103	25.9	46.4	40.1	−20.1

● 22 Ordinary "A" shares (non-voting) plus £50 unsecured loan stock.

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date, whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

BUILDING SOCIETY RATES

	Dep.	Share Accnts.	Sub'pn Shares	Variable Term Shares
Abbey National	6.75%	7.00%	8.25%	●8.00%
Alliance	6.75%	7.00%	8.25%	‡‡7.75%
Anglia	6.75%	7.00%	8.25%	‡7.75%
Birmingham Incorporated	6.75%	7.00%	8.25%	—
Bradford and Bingley	6.75%	7.00%	§8.25%	—
Bristol and West	6.75%	7.00%	8.00%	—
Bristol Economic	6.75%	7.00%	8.25%	†7.25%
Chelsea	6.75%	7.00%	9.00%	†7.25%
Cheltenham and Gloucester	6.75%	7.00%	—	‡7.75%
Cheshire and Northwich	6.75%	7.00%	8.25%	—
Citizens Regency	7.25%	7.25%	8.75%	—
City of London	7.00%	8.00%	8.50%	—
City and Metropolitan	6.75%	7.25%	7.50%	¶8.00%
Coventry Economic	6.75%	7.00%	8.75%	§§7.75%
Gateway	6.75%	7.00%	8.25%	‡7.75%
Greenwich	6.00%	7.10%	8.50%	—
Halifax	6.75%	7.00%	7.50%	‡7.75%
Hastings and Thanet	6.75%	7.00%	8.25%	—
Hearts of Oak and Enfield	6.75%	7.25%	8.50%	—
Hendon	7.00%	7.30%	—	*8.05%
Huddersfield and Bradford	6.75%	7.00%	8.50%	▽7.75%
Leamington Spa	6.87%	7.12%	9.50%	7.50%
Leeds and Holbeck	6.75%	7.00%	8.00%	—
Leeds Permanent	6.75%	7.00%	8.25%	—
Leek Westbourne and ECBS	6.75%	7.00%	8.25%	¶¶7.75%
Leicester	6.75%	7.00%	8.25%	††7.75%
Liverpool	6.75%	7.00%	8.30%	*7.50%
Magnet	6.75%	7.00%	7.75%	▽7.75%
Mornington Permanent	6.45%	7.65%	—	—
National Counties	7.25%	7.75%	—	—
Nationwide	6.75%	7.00%	7.50%	⊕8.25%
Newcastle Permanent	6.75%	**7.00%	7.75%	8.00%
Northern Rock	6.75%	7.00%	8.00%	‡7.75%
North London	7.75%	8.25%	—	⊕9.15%
Norwich	6.75%	7.00%	8.25%	—
Paisley	7.25%	7.00%	8.00%	¶¶7.50%
Portman	6.75%	7.00%	8.50%	⊕8.25%
Property Owners	6.75%	7.50%	8.50%	†7.85%
Provincial	6.75%	7.00%	8.25%	7.75%
Skipton	6.75%	7.00%	8.25%	—
Steyning and Sussex	7.25%	7.50%	9.00%	—
Sussex Mutual	6.25%	♦7.30%	—	—
Woolwich Equitable	6.75%	7.00%	8.25%	‡7.75%

* Minimum £2,000 6 mths. notice. † 3 mths. ‡ 3 yrs. § 3 yrs. including bonus. ‖ Min. £500 2 yrs. fixed. ¶ 4th issue 2 yrs. ● 2 yrs. over £5,250. ** 7.50% over £5,000. †† 2-3 yrs. ‡‡ 2 yrs. §§ 7.50% 3 mths. notice after 9 mths. ¶¶ 2 yrs. £1,000 min. ◊ 2 yrs. £2,000 min. ⊕ 2 yrs. £3,000 min. ▽ Min. £100 2 yrs. fixed. ◊ Existing accounts. ⊕ 3 yrs. over £5,000. ♦ 7.80% over £5,000.

STOCK EXCHANGE REPORT

Weakness in sterling continues to depress markets

Index down 8.2 at 295.6 for three-week drop of 69.9

ACCOUNT DEALING DATES

*First Dealings	Declarations	Last Dealings	Account Day
Jun. 16	Jun. 26	Jun. 27	July 8
Jun. 30	July 10	July 11	July 22
July 14	July 24	July 25	Aug. 5

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

British Funds and equities weakened afresh yesterday against a background of continuing fears about the depressed state of sterling on foreign exchanges. British Funds recorded further widespread losses to ¾ with the long end of the market being particularly unsettled by the terms of the new long "tap" stock to be offered next Thursday. The Government Securities index at 58.33 gave up 0.34, but still showed a rise of 0.17 on the week.

Leading industrials encountered further, though less persistent selling after Thursday's sharp setback and, with buyers still showing a marked reluctance, closing falls were again fairly substantial. The FT 30-share index dropped 8.2 more to 295.6. This makes a loss of 69.9, or just in excess of 19 per cent., over the last 16 trading days. ICI, 9 down at 250p, continued to show marked weakness on concern about the company's wage negotiations.

Second-line equities again failed to escape the malaise, this being shown in the 4-to-1 majority of falls over rises in FT-quoted equities and the further setback of 1.5 per cent. to 131.79 in the FT-Actuaries All-share index which is now 14½ per cent. down on its recent peak. Of the few bright spots, Long John International stood out with a jump of 35 to 222p on the bid from Whitbread. Official markings of 5,762 compared with 6,104 yesterday and 4,743 a week ago.

New long "tap"

The main feature of a dull day in Gilt-edged stocks was the announcement towards the close of a further tranche of £500m. Treasury 12¾ per cent., 1995, stock at 88¾, to replace the old "tap" stock which was exhausted on Wednesday. Terms of the issue were slightly below the market level and prices, which were already ½ down, were lowered further and finished with falls extending to ¾. Mediums also came back in sympathy, closing with losses to ½, while falls in the shorts extended to 3/16, and occasionally more. Underlying sentiment was again affected by fresh weakness in sterling.

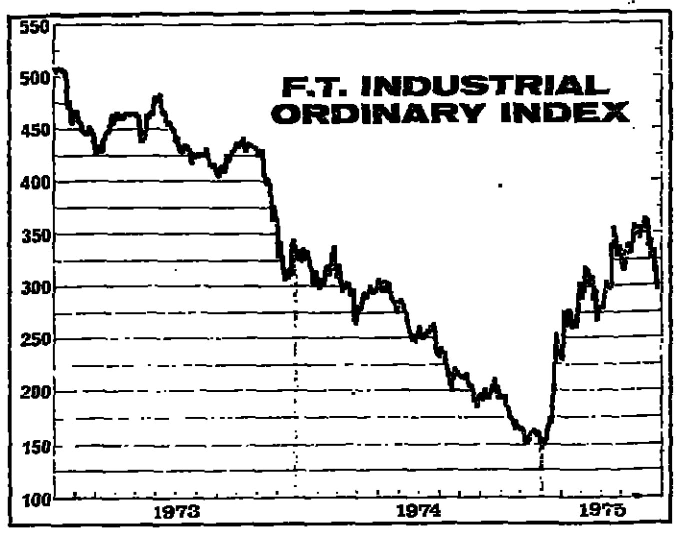
The further weakening of sterling brought fresh demand for investment currency and the premium, which improved during a good two-way business to 102 per cent., closed 4 points higher on balance at 101 per cent. Yesterday's S.E. Conversion factor was 0.5837 (0.5848).

Banks friendless

After Thursday's sharp reactions that followed several bearish brokers' circulars and rumours of forthcoming "rights" issues, the big four Banks steadied a little yesterday. However, a further trickle of selling was enough to bring about fresh losses of up to 3. Barclays, 265p, and Midland, 255p, both cheapened that much as did Lloyds, 215p, who were mentioned in a Press article as being a fund-raising candidate. Bank of Scotland cheapened 5 to 225p. Merchant banks also displayed an easier trend with Kleinwort Benson 6 off at 98p, and Hambros 7 lower at 173p.

Insurances encountered fresh selling. Phoenix shed 10 more to 180p, while the "new" nil-paid cheapened 3 to 8p premium. "Royals" declined 8 to 272p and Sun Alliance gave up 7 to 378p. Lloyds brokers, losses of 10 and 12 respectively were seen in Hogg Robinson, 120p, and Sedgwick Forbes, 220p.

After having risen 28 the previous week on the disclosure that Whitbread is having discussions which might lead to an offer being made for the company, Long John International took off again yesterday, jumping 35 to 222p, after 225p, in response to bid terms offered by Whitbread of 231p per share; Whitbread "A" chapened 2 to 57p. Sold down to 253p ahead of the results, Vaux rallied on them to close only 2 lower on balance at 258p.



Taylor Woodrow remained on offer in Buildings, falling 8 further to 278p. Magnet Joinery receded 6 to 115p, while adverse Press comment left Associated Portland Cement 3 easier at 131p, after 127p, and Redland, 5 lower at 79p. Tunnel "B" were notably dull at 110p, down 8, while losses of 4 were sustained by Gough Cooper, 67p, G. Dew, 80p, and Rawlings Bros., 17p. John Finlan were again an isolated firm spot at 19p, up 2, on fresh speculative support.

ICI fell 9 more to 250p, a loss on the week of 34. Fisons were lowered 12 more to 363p.

Stores dull

Stores ended the week on a dull note, sentiment still being affected by fears of an early introduction of further price controls. Marks and Spencer closed 5 off at 191p, a fall on the week of 27. "Gussies" "A" reacted similarly to 158p, while House of Fraser shed 2 to 75p and British Home Stores eased 3 to 282p. Debenhams contrasted with a rise of 2 to 66p. Secondary issues drifted on small selling and closed at the day's worst. S. Casket 37p, and A. Henriques 30p, lost 3 apiece, while Greenfield Milletts, 21½p, shed 1½. The chairman's report of buoyant trading failed to help Fairdale Textiles, which ended a penny easier at 23p. Allied Retailers, however, hardened a penny to 69p in front of Monday's preliminary statement.

Electrical leaders ended only a shade easier after a quiet trade. Plessey closed a penny off at 65p, while GEC, awaiting next Thursday's results, ended similarly softer at 116p, after 115p. Secondary issues were inclined to close modestly lower, Fidelity Radio, 35p, and Petbow, 117p, both losing 3. Dorman Smith "A" came back 2 to 117p, but is still up 12 on the week on the increased profits and proposed scrip issue.

Leading Engineering succumbed to further selling which left GKN 7 down at 218p and Hawker Siddeley and Tube Investments 6 lower at 244p and 234p respectively. Vickers gave up 3 more to 123p. Elsewhere, losses of 5 were seen in Herbert Morris, 40p, and Staveley Industries, 104p. Mason and Burns, however, jumped 6 late to 18p following the offer of 19p per share from Allied Insulators (1½ off at 14p). Currently in receipt of a cash offer of 101p per share from International Nickel, Daniel Doncaster improved 3½ to 88p, while further consideration of the results left Sheepbridge similarly better at 36p.

British Sugar featured a dispirited Foods section, falling 25 to 340p following news of the company's substantial investment programme. Bishops Stores "A" closed 2 off at 54p following the results, while Northern Foods, 54p, and J. Bibby, 66p, lost 4 apiece. Cavenham eased 3 further to 111p.

A report of growing pressure on bookmakers' margins brought selling pressure to bear on Ladbrokes, 3 easier at 150p, and J. Coral, 4 cheaper at 93p. Pontins gave up a penny at 24p, while CCH Investments, 22p, and Grand Metropolitan, 59p, lost 3 apiece.

Industl. leaders lower

Miscellaneous Industrial leaders remained on offer and closed near the day's lowest. Glaxo receded 9 more to 318p and the new nil-paid 12 to 118p premium, while Turner and Newall retreated 10 to 97p and Bowater 7 to 137p. Metal Box, 228p, and Reed International, 216p, both finished 8 lower, while "Suits" declined 6 to 90p and Boots 5 more to 109p. Elsewhere, F. Wrighton, 17p, and Kleen-E-Ze, 25p, lost 5 and 4 respectively, both reflecting sharply lower profits. Scapa Group shed 3 to 57p on the preliminary statement, while the half-time report left J. and L. Randall 2 off at 27p. Granada "A" eased 2 to 46p in front of Monday's interim results. U.K. Optical were quoted ex "rights" at 76p, down 7, with the "new" at 10p premium.

Motors reflected another dreary day in stock markets, with prices drifting lower on small selling and lack of support. Rolls-Royce shed a penny more to 56p; the price, change and "low" shown in Friday's Share Information Service were incorrect. Dunlop also came off a penny to 47p, while Lucas Industries declined 3 more to 94p. Reliant Motor hardened ½ to 6½ on the return to profitability and resumption of a final dividend, but Lookers, at 19p, were unaltered after the increase in first-half profits.

Leading Newspapers closed with some sizeable losses. Thomson Organisation retreated 10 further to 165p for a two-day fall of 17, while Associated Newspapers, which are expected to announce preliminary figures July 9, came back 6 more to 80p. Beaverbrook "A" shed a penny at 27½p. Small falls were commonplace in the Paper/Packaging group. British Printing receded 3½ to 40p, while Inveresk closed 2½ easier at 60p and DRG another 3 cheaper at 101p. Against the trend, Associated Paper managed to finished a shade better at 23½p on consideration of the interim report.

After Thursday's depression on fears of fresh business rent controls, the poor response to the Seige Estates property auction served to undermine sentiment in Properties further. Land Securities, 163p, and MEPC, 103p, managed to close only 2 and 3 lower respectively, but British Land receded 3½ to 14p and English Property another 4½ to 59p. Outside the leaders, Hammerson "A" sustained a fall of 23 to 352p, while C. H. Beazer retreated 12 to 103p and Property Holding and Investment 7 to 195p. Losses of about 6 occurred in Stock Conversion, 127p, Haslemere Estates, 197p, Bernard Sunley, 135p, and McKay Securities, 80p. Stait Carding shed 1 to 4½p in reflection of the year's loss and final dividend omission, while Percy Bilton, despite the chairman's encouraging statement at the AGM, declined 4 to 116p. The first-half loss and nil interim dividend left Chown Securities 2 off at 15p, while Country and New Town Properties, after the full report, were 1½ easier at 15p. Argyle Securities, and City Offices both shed 3 to the common price of 36p.

Shell steady

A reasonable day's business was transacted in the Oil leaders, where Shell Transport became a much steadier market and closed a penny better at 306p. Sentiment in Shell was helped by another good performance from the associated Royal Dutch, which finished ½ firmer at £30, after a new 1975 "high" of £30¼, on the strength of the investment premium. British Petroleum, however, shed 4 more to 503p, leaving a loss on the week of 29, while Burmah eased a penny to 30p. Ultramar declined further to 188p before rallying to 192p, down 2 more on the day. Elsewhere, Berry Wiggins met profit-taking and came back 4 to 84p after the recent speculative advance, but Attock Oil attracted fresh speculative buying and rose another 6 to 70p.

Bishopsgate Property and General Investments became a late dull feature in Trusts, losing 4 to 36p following the interim dividend omission and first-half loss. Fresh seling brought falls of 7 and 10 respectively to Triplevest Capital, 100p, and Shipping and General, 80p, while English and Scottish fell 6 to 117p and Nelson Financial shaded 5 to 395p. Against the trend, Rume Holdings "A" and "B" shares rose 2 to 49p and 43p respectively on news that Rothschild (8 down at 378p) has acquired a 26 per cent. stake.

Golds keep firm

Gold shares closed quietly firm after having eased at first following news of the South African devaluation. Prices recovered on Cape buying which, it was thought, may have originated from U.S. sources and the Gold Mines index rose a further 2.5 to 409.7. This brought the gain on the week to 27.8.

Interest in Gold shares this week had been predominantly U.S. and despite the imminence of that country's auction of 500,000 ounces of bullion on Monday, the gold price has also improved. It rose 75 cents to $165 per ounce yesterday, making a rise of $2.25 on the week.

Mining Finance issues also produced a scattering of gains. The feature was Union Corporation which reflected a demand in the Cape with a jump of 40 to 570p; the associated UC Investments hardened 10 to 455p.

Johannesburg was a buyer of Middle Wits which rose 15 to a year's high of 320p and also of Minorco which were 14 higher at 300p. De Beers were again in demand with a jump of 9 to a 1975 high of 323p which brought the week's rise to 19. Platinums marked time.

The firmness of the investment dollar premium acted as a prop for prices of the Australian issues.

FINANCIAL TIMES STOCK INDICES

—	June 27	June 26	June 25	June 24	June 23	June 20	A year ago
Government Secs.	58.33	58.67	58.94	58.55	58.32	58.16	64.69
Fixed Interest	57.92	58.03	58.08	57.89	57.81	57.79	54.15
Industrial Ordinary	295.6	303.8	313.7	310.5	318.8	333.8	255.1
Gold Mines	409.7	407.2	400.9	386.2	386.1	381.9	297.5
Ord. Div. Yld. %	6.86	6.67	6.45	6.51	6.35	6.06	7.85
Earnings Yld. % (full) (a)	20.25	19.71	19.09	19.26	18.76	17.89	20.79
P/E Ratio (net) (a) (b)	7.06	7.25	7.49	7.42	7.62	8.00	6.74
Dealings marked	5,762	6,104	8,227	6,109	4,845	4,743	†5,045
Equity turnover £m.	—	59.15	61.04	61.63	52.80	48.90	39.67
Equity bargains total	—	14,371	14,286	16,992	13,581	12,350	11,584

10 a.m. 299.1. 11 a.m. 296.3. Noon 297.5. 1 p.m. 295.9. 2 p.m. 296.3. 3 p.m. 296.0.

Latest Index 01-246 8026. † Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.02.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (28/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	June 27	June 26
Daily—		
Gilt-Edged	152.4	166.4
Industrials	199.1	208.2
Speculative	53.5	69.5
Totals	131.1	138.9
5-day Av'r'ge		
Gilt-Edged	156.9	152.8
Industrials	218.8	212.6
Speculative	61.6	59.6
Totals	141.3	136.7

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	10 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Knowsley & Co. Ltd.	11½%
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	10½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs.	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	11 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7¼%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7¼%.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Groups & Sub-sections	Friday, June 27, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Thurs. June 26 Index No.	Wed. June 25 Index No.	Tues. June 24 Index No.	Monday June 23 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	111.90	−1.6	20.76	7.19	7.15	7.15	113.68	116.76	116.22	118.64	90.01	131.26	51.78	206.37	15.70
2	Building Materials (30)	95.25	−2.4	20.89	8.27	7.36	7.36	97.59	99.93	99.86	101.54	88.49	117.40	45.11	233.84	44.27
3	Contracting, Construction (23)	202.54	2.4	18.52	4.41	8.03	8.03	207.59	215.67	213.56	221.39	145.28	251.51	74.74	389.33	71.48
4	Electricals (16)	203.69	−0.8	18.21	5.88	7.97	7.96	205.43	212.61	210.19	212.19	171.72	234.64	98.49	350.04	84.71
5	Engineering (Heavy) (13)	134.65	−2.2	25.93	7.88	5.86	5.86	137.72	141.54	139.98	144.11	98.14	159.79	64.39	202.57	64.39
6	Engineering (General) (65)	99.28	−1.3	22.14	8.14	6.63	6.62	100.62	103.13	102.79	105.41	73.61	117.40	45.43	168.59	45.45
7	Machine and Other Tools (11)	41.50	−0.9	14.50	8.56	12.57	12.57	41.87	42.22	42.20	42.73	32.39	48.98	20.11	136.70	19.96
8	Miscellaneous (23)	102.55	−1.3	23.66	7.69	6.25	6.25	103.85	106.08	105.83	108.01	82.16	121.76	49.65	177.41	49.65
9	CONSUMER GOODS (DURABLE) (59)	80.49	−2.8	22.03	7.64	6.76	6.74	82.81	83.27	82.73	84.95	78.79	93.15	38.39	227.78	38.39
10	Electronics, Radio TV etc. (15)	92.97	−3.9	21.62	5.59	6.73	6.72	96.71	96.28	95.35	97.45	93.67	106.34	44.28	257.41	42.85
11	Household Goods (15)	124.28	−0.8	34.65	8.65	4.19	4.19	125.27	126.31	125.65	129.52	124.46	146.90	64.53	265.22	63.92
12	Motors and Distributors (29)	43.37	−2.1	17.13	10.24	9.27	9.20	44.28	45.15	45.05	46.50	40.01	50.91	19.91	170.59	19.91
13	CONSUMER GOODS (NON-DURABLE) (164)	123.95	−1.5	16.38	6.69	8.72	8.68	125.79	129.60	*128.72	132.40	98.78	146.45	61.98	226.08	61.41
14	Breweries (16)	142.18	−1.2	14.09	7.06	10.69	10.69	143.89	149.24	148.02	149.41	111.65	163.83	75.58	281.87	69.47
15	Wines and Spirits (8)	155.94	−0.4	14.44	6.02	10.21	10.21	156.69	161.92	160.52	162.75	124.12	176.43	80.42	257.40	78.88
16	Entertainment, Catering (16)	138.31	−2.5	16.18	8.01	9.19	9.19	141.82	145.53	144.42	147.11	107.51	168.44	55.28	329.99	54.83
17	Food Manufacturing (22)	136.77	−1.7	15.25	5.74	8.98	8.94	139.11	141.91	140.28	143.79	99.32	156.57	62.03	211.65	59.67
18	Food Retailing (16)	115.77	−1.5	13.70	5.53	10.63	10.63	117.58	123.02	122.35	130.56	86.26	149.17	57.15	235.08	54.25
19	Newspapers, Publishing (15)	124.37	−3.6	19.26	7.68	7.83	7.83	129.06	133.11	133.12	138.42	116.68	152.14	55.08	260.29	55.08
20	Packaging and Paper (13)	85.45	−2.6	28.10	8.50	5.22	5.22	87.75	89.95	*89.08	93.57	69.38	107.12	43.46	136.69	43.46
21	Stores (30)	105.01	−1.6	13.57	6.17	11.27	11.27	106.66	110.21	110.69	113.78	81.97	132.94	52.63	204.59	52.63
22	Textiles (19)	124.28	−0.9	28.52	8.49	4.16	4.06	125.43	130.37	128.22	131.73	113.16	145.07	62.91	253.72	62.66
23	Tobacco (3)	177.58	−0.8	18.65	7.50	7.97	7.97	179.00	182.84	179.82	186.51	162.03	199.16	109.92	359.16	94.34
24	Toys and Games (6)	37.24	−3.4	33.92	8.28	4.12	4.12	38.56	39.43	41.09	41.85	56.22	44.08	20.92	135.73	20.92
	OTHER GROUPS (92)															
25	Chemicals (25)	157.50	−2.3	22.34	5.75	6.41	6.41	161.25	166.42	166.31	170.77	123.41	189.17	73.14	201.92	71.20
26	Office Equipment (10)	80.56	−2.6	17.73	6.59	7.59	7.59	82.67	84.14	84.53	87.28	89.13	104.78	45.34	246.06	45.34
27	Shipping (11)	331.08	−0.2	24.12	7.25	5.30	5.12	330.56	337.08	330.20	340.75	312.92	401.84	194.38	517.00	90.80
28	Miscellaneous (46)	128.96	−1.5	20.67	7.62	7.01	7.00	130.96	135.69	134.26	137.99	110.01	153.58	60.39	258.83	60.39
29	INDUSTRIAL GROUP (496)	121.43	−1.7	19.01	6.80	7.58	7.56	123.49	126.86	*126.29	129.65	99.90	143.45	59.19	220.17	59.01
30	OILS (4)	277.53	−0.3	26.52	5.47	4.05	3.77	278.32	282.06	281.96	285.39	192.47	296.47	105.85	431.66	87.23
31	500 SHARE INDEX	134.38	−1.4	20.21	6.59	6.65	6.51	136.36	139.78	*139.23	142.47	107.79	156.14	63.49	227.95	63.49
32	FINANCIAL GROUP (100)	121.10	−1.8	—	5.95	—	—	123.54	128.65	129.49	132.28	99.46	148.45	56.50	241.41	55.88
33	Banks (6)	143.27	−0.4	25.95	6.50	5.75	5.75	143.84	150.98	155.16	156.06	125.73	177.11	62.56	286.32	62.44
34	Discount Houses (9)	139.82	−0.6	—	8.58	—	—	140.68	140.68	141.55	144.18	113.35	169.27	84.13	293.13	81.40
35	Hire Purchase (5)	82.02	−2.4	30.43	11.05	4.37	4.00	84.07	84.39	87.20	89.47	158.29	134.39	42.81	433.72	38.83
36	Insurance (Life) (9)	100.15	−1.3	—	6.82	—	—	101.46	105.16	103.75	106.42	81.70	127.97	44.98	194.46	44.88
37	Insurance (Composite) (7)	97.04	−2.1	—	6.81	—	—	99.08	103.97	103.94	106.46	65.65	123.90	44.47	155.76	43.96
38	Insurance (Brokers) (8)	178.33	−4.6	11.41	4.75	13.03	13.03	186.91	188.48	192.09	193.05	125.92	211.50	68.96	262.57	65.86
39	Merchant Banks (13)	77.03	−3.3	—	7.83	—	—	79.69	81.07	79.71	83.30	84.59	94.97	31.21	278.57	31.21
40	Property (32)	165.67	−2.7	4.43	3.68	33.60	32.54	170.28	178.51	179.52	185.48	120.93	241.22	88.19	357.40	56.01
41	Miscellaneous (5)	68.28	−2.9	14.61	9.71	9.97	9.85	70.33	71.00	70.32	71.85	75.82	75.78	34.78	305.13	33.29
42	Investment Trusts (50)	153.91	−1.4	3.30	4.53	30.30	30.50	156.13	158.76	158.78	163.51	108.68	178.53	73.43	245.79	71.63
43	ALL-SHARE INDEX (650)	131.79	−1.5	—	6.33	—	—	133.82	137.55	*137.35	140.53	105.55	154.09	62.16	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	413.85	−0.7	14.33	7.95	8.73	8.50	416.80	420.63	421.51	401.44	314.68	535.45	281.66	555.37	84.68
45	Teas (10)	100.68	—	19.13	9.60	6.65	6.15	100.68	100.68	100.68	102.22	90.03	100.68	76.76	121.47	59.72
46	Coppers (3)	397.39	−2.2	49.42	19.00	2.02	2.02	406.31	405.79	405.79	402.93	563.21	467.74	374.38	567.78	94.08
47	Mining Finance (11)	133.82	0.6	9.13	3.95	12.00	11.96	132.98	131.32	130.27	131.14	87.07	141.34	60.58	175.90	66.31
48	Tins (8)	99.61	−0.2	10.24	8.32	12.58	10.81	99.78	99.43	93.66	98.76	74.27	114.49	58.91	125.43	54.83
49	Overseas Traders (13)	209.16	−1.9	16.75	4.31	7.59	7.57	213.11	218.96	211.34	214.97	—	252.23	97.57	252.23	97.57

	FIXED INTEREST	Friday, June 27 Index No.	Day's change %	Yield %	Thurs. June 26	Wed. June 25	Tues. June 24	Monday June 23	Friday June 20	Thurs. June 19	Wed. June 18	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	—	14.66	14.55	14.44	14.64	14.74	14.73	14.72	14.71	15.58	[illegible]	[illegible]	[illegible]	[illegible]
2	20-yr. Govt. Stocks (6)	47.55	[illegible]	15.68	47.82	48.11	47.56	47.52	47.16	47.20	47.25	46.60	53.09	38.27	115.45	38.27
3	20-yr. Red. Deb. & Loans (15)	46.37	[illegible]	15.97	46.39	46.36	46.08	46.03	45.87	45.76	45.76	50.68	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trust Prefs. (15)	42.18	[illegible]	16.42	42.01	42.01	41.23	41.40	41.54	41.54	41.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	60.19	[illegible]	15.63	59.61	59.49	58.87	58.80	59.88	58.83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group, Base Date, Base Value: Overseas Traders; Engineering (Heavy); Engineering (General); Toys and Games; Office Equipment; Industrial Group; Miscellaneous Financial; Food Manufacturing; Food Retailing; Insurance Brokers; Mining Finance; All Other. [illegible] † Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 1900 computer. A list of the constituents of the FT-Actuaries Share indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by inland post 18p. Commonwealth 19p, Foreign 23p. * Corrected.

MONEY + EXCHANGES

Treasury bill rate higher

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

The Treasury bill rate rose further at yesterday's tender, by 0.0752 per cent. to 9.4826 per cent., within relatively close distance of the levels above 9.5 per cent. which would bring an increase in the Bank of England Minimum Lending Rate under the ordinary working of the system. The record amount of £350m. bills on tender attracted bids of £544.1m., compared with £438.8m. for the £250m. offered the previous week. The minimum-accepted bid was cut 1¾p to £97.63½ (equivalent to an increase of 0.0602 per cent. to 9.4860 per cent. in annual discount terms), and bids at this level were met as to about 68 per cent., against the 32 per cent. secured at the previous week's minimum-accepted. Next week, £300m. bills will be on tender, against maturities of £250m.

Day-to-day credit was, as expected, again in short supply, and the authorities gave a large amount of assistance, by lending to four or five Discount houses until Monday at the Bank of England Minimum Lending Rate of 10 per cent. Again, it seemed that the lending was not offered as a signal of official policy on interest rates. Banks had carried over a shortage from Thursday, there was a net take-up of Treasury bills, and the note circulation rose, but Government disbursements were greater than revenue transfers to the Exchequer.

The one-month sterling certificate yield was unchanged on balance, at 9½-9⅝ per cent., but the three-month hardened a shade, to 9⅝-9¾ per cent., from 9½-9 11/16 per cent., though the one-year was unaltered, at 11 1/16-10⅞ per cent.

Discount houses bid 9-9½ per cent. for secured call loans in the earlier part, but in later business a range of 8¾-9½ per cent. was seen. In the inter-bank market, overnight loans were in a range of about 9-9¾ per cent.

Rates in the table below are nominal in some cases.

June 27 1975	Sterling Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	9-9¾	9-9½	—	—	10-10½	8¾-9⅞	—	—	—
2 days notice	—	—	9¼-9⅜	—	—	—	—	—	—	—
7 days or 7 days' notice	—	9⅛-9½	9⅜-9½	—	9¾-10½	—	9-9½	—	—	—
One month	9½-9⅝	9⅜-9 9/16	9⅜-9⅝	10¼-9¾	10-10¾	—	8⅞-9¼	9¼-9⅜	9 7/16-9⅝	9¾-11
Two months	9⅝-9½	9½-9¾	—	10¼-9¾	10¼-10¾	—	9⅛-9¼	9 5/16-9½	9⅝-9 11/16	10-11
Three months	9¾-9⅝	9⅝-9⅞	9⅝	10¼-9¾	10½-11	—	9¼-9⅝	9½-9⅝	9¾	10-11
Six months	10 1/16-10 5/16	10 5/16-10 7/16	10-10⅛	10¼-9¾	—	—	—	—	10	10¾-11¼
Nine months	10¾-10 1/16	10½-10 11/16	—	11¼-10¾	—	—	—	—	—	—
One year	12¼-11⅞	10⅞-11⅛	11¾-12	12-11½	—	—	—	—	—	—
Two years	—	11⅞-12¼	14¼-14⅜	—	—	—	—	—	—	—

* Local Authority and finance houses seven days' notice: others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13½-13¾ per cent.; four years 14-14½ per cent.; five years 14½-14¾ per cent. ⊕ Bank bill rates in table are buying rates for prime paper: buying rates for four-month bank bills 9¾ per cent.; and four-month trade bills 10½-11 per cent. Aproximate selling rates for one-month Tresury bills 9¼-9 5/16 per cent.; two-month 9 7/32-9 5/16 per cent.; three-month 9¾ per cent. Approximate selling rates for one-month bank bills 9½-9 7/16 per cent. two-month 9½-9 9/16 per cent.; and three-month 9¾ per cent.: for one-month trade bills 9½-10 per cent.; two-month 9¾-10½ per cent.; and three-month 9¾-10½ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice: 6½ per cent. Clearing Banks Base Rates for lending: 9½ per cent. Treasury Bills: Average tender rate of discount 9.4826 per cent.

EXCHANGES AND BULLION

Sterling continued its downtrend in the foreign exchange market, with its trade-weighted average depreciation against ten units since the Washington Currency Agreement of December, 1971 (as calculated by the Bank of England) widening on balance to record 27.6 per cent., from the overnight 27.1 per cent., and standing at 27.3 per cent. in early dealings, and at 27.4 per cent. at noon. Business was moderate, and it seemed possible that the authorities did not intervene on a significant scale, if at all. In terms of the U.S. dollar, the pound lost 180 points (some 0.8 per cent.) on the day, at $2.2245-2.2255—opening at $2.2380-2.2390, its best of the day, but falling quickly to $2.2335-2.2345, and although recovering to $2.2350 or so at one stage in afternoon, falling at one point subsequently to $2.2325-2.2330. The dollar was stronger against major currencies as a whole, with its trade-weighted fall since the Washington Agreement (as measured on noon rates in New York by Morgan Guaranty) narrowing to 6.05 per cent., from 6.35 per cent. Sterling's fall on a similar basis widened to 34.02 per cent., from 33.42 per cent. French francs lost part of their recent gains, with their appreciation on the Morgan Guaranty 14-currency post-Washington basis narrowing to 7.05 per cent., from 7.43 per cent.

Gold strengthened in London, on the last full day of business before Monday's auction of 0.5m. ounces of the metal from official stocks in the U.S., gaining $¾ an ounce on balance to $164½-165½—opening at $164-165, and trending upwards in moderate business.

Gold coins continued in good demand in the domestic market, and the Krugerrand's premium over its gold content increased further, to 16¾ per cent., from Thursday's 13¼ per cent. In international dealings, the Krugerrand premium was 3 7/16 per cent., against 3 1/16 per cent.

FORWARD RATES

—	One Month	Three months
New York	0.65-0.55 c.pm	2.20-2.10 c.pm
Montreal	0.58-0.48 c.pm	1.90-1.80 c.pm
Amst'dam	3¼-2¼ c.pm	9-8 c.pm
Brussels	30-10 c.pm	75-55 c.pm
Cop'n'hgn	6½-3½ ore pm	14½-11½ ore pm
Frankfurt	2½-1½ pf. pm	7½-6½ pf pm
Lisbon	50-250 c. dis	50-525 c. dis
Milan	1-4 lire dis	4-7 lire dis
Oslo	1⅛orepm-1⅛ore dis	4½-2½ ore pm
Paris	par 2- c. dis	1 c.pm-1c. dis
Stockholm	1ore pm-1ore dis	3½-1½ ore pm
Vienna	30 gro pm-par	60-20 gro pm
Zurich	3½-2½ c. pm	9½-8½ c. pm

Six-month forward U.S. dollar 4.55-4.45c pm, and 12-month 9.30-9.20 c pm.

OTHER MARKETS

		£ Notes Rates	
Argentina	57.75-57.95	Argentina	140-170
Australia	1.6843-1.6803	Austria	38½-39½
Brazil	17.80-18.00	Belgium	80½-82½
Finland	7.75½-7.78½	Brazil	20.25
Greece	66.701-68.356	Canada	2.30-2.35
H'gKong	11.01-11.08	Denmark	12.20-50
Iran	146.5-148.5	France	8.85-9.05
Kuwait	0.640-0.650	Germany	5.15-5.35
Luxemb'g	78.25-78.45	Greece	66-69
Malaysia	5.4055-5.1250	Italy	1380-1450
N. Zealand	1.6877-1.7137	Japan	660-680
SaudiArab	7.75-7.90	Neth'l'ds	5.35-5.50
Singapore	5.1235-5.1430	Norway	10.85-11.10
S. Africa	1.5855-1.6040	Portugal	53½-58½
U.S.		Spain	122-125
Canada		Sw'tz'land	5.45-5.55
US$1 =		U.S.	2.22½-24½
U.S. cents	87.05-97.08	Yugoslavia	38-58

‡ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ◆ Rate given is the commercial rate; financial rate 66.71-66.91.

EXCHANGE CROSS-RATES

June 27	Frankfurt	New York	Paris	Brussels	London	A'stedam	Zurich
Frankf't	—	2.3600-15	54.34-44	6.47-49	5.23-28	96.63-75	48.36-94.06
N. York	42.35-54	—	24.80-85	2.541-845	2.2245-55	41.12-15	39.93-97
Paris	184.00-18	4.0197-0237	—	11.4575-4825	8.957-.012	166.30-70	161.0-40
Brussels	[illegible]	[illegible]	5.50-73	—	78.36-55	14.42-47	14.01-07
London	5.22-25	2.2245-55	8.95-96	78.32-48	—	5.41½-42½	5.55-55½
Am'erdam	103.4-5.70	2.4307-22	[illegible]	6.9235-3345	5.4215-452	—	97.215-325
Zurich	106.24-42	2.493-501	62.06-15	7.1175-1325	5.554-5635	102.75-88	—

U.S. $ in Montreal, U.S. $=102.94-96 Canadian cents. Canadian $ in New York, $C1=97.05-07 U.S. cents. U.S. $ in Milan 623.80. Sterling in Milan 1404.90.

EURO-CURRENCY INTEREST RATES*

June 27 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch guilder	W. German mark	Swiss franc
Short term	—	—	4½-5½	4⅞-5⅛	5-5¼	5⅜-5⅝
7 days' notice	8¾-9½	5¾-6¼	5¼-5¾	4⅞-5⅛	5-5¼	3¾-4¼
Month	9½-10⅛	6⅛-6⅞	7⅛-7⅝	5⅛-5⅜	4¾-4⅞	3⅝-3⅞
Three months	9⅞-10⅛	6½-7	7¼-7½	5⅝-5⅞	4¾-4⅞	3⅞-4⅛
Six months	11¼-11½	7⅛-7⅝	7½-7⅞	5⅛-5⅜	5⅛-5¼	4⅞-5⅛
One Year	11⅞-12⅛	7⅝-8⅛	7⅞-8⅛	6-6¼	5½-5¾	5⅝-5⅞

Euro-French deposit rate short-term 9-9½ per cent.; seven days' notice 9-9½ per cent.; one-month 9½-9¾ per cent.; three months 9¾-10½ per cent.; six months 10½-10¾ per cent.; one year 10½-10¾ per cent.

Long-term Eurodollar deposits two years 8¼-8¾ per cent.; three years 8½-9 per cent.; four years 9-9½ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6 5/16-6 9/16 per cent.; three months 6 13/16-6 15/16 per cent.; six months 7-7¼ per cent.; one year 7 5/16-7½ per cent.

* Rates are nominal closing rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

FOREIGN EXCHANGES

June 27 1975	Bank Rates %	Day's Spread	Close
New York	6	2.2225-2.2380	2.2245-2.2255
Montreal	8¼	2.2885-2.3028	2.2915-2.2925
Amsterdam	6	5.40-5.44	5.41½-5.42½
†Brussels	6½	78.00-78.60	78.25-78.45
Copenh'gen	8	12.13-12.23	12.15-12.16
Frankfurt	4½	5.22-5.26	5.22½-5.23½
Lisbon	8½	54.10-54.60	54.15-54.35
Madrid	7	124.10-125.10	124.35-124.55
Milan	7	1,397-1,406	1,399-1,401
Oslo	5½	10.93-11.01	10.94½-10.95½
Paris	9½	8.94-8.97	8.95½-8.96½
Stockholm	7	8.72-8.78	8.73-8.74
Tokyo	8	655-665	658½-660½
Vienna	6	36.78-37.25	36.80-37.00
Zurich	4½	5.55-5.58	5.55½-5.56½

† Basic discount. ‡ Rates given are for convertible francs. Financial franc [illegible]

CORAL INDEX
Close 291-296

I.G. INDEX
GOLD 163-166

INSURANCE BASE RATES

† Atlantic Assurance ... 11½%
Cannon Assurance 8½%
† Address shown under Insurance and Property Bond table.

GOLD MARKET

	June 27 1975	June 21 1975
Gold Bullion (a fine ounce)		
Close	$164½-165½	$163¾-164¾
Opening	$164-165	$164¼-165¼
Morning fix'g	$164.25 (£73.500)	$164.10 (£72.950)
Afternoon fix'g	$164.50 (£73.681)	$164.00 (£72.886)
Gold coins (domestically)		
Krugerrand	$191-193 (£85¾-86¾)	$186-187 (£82½-83½)
New sov'r'gns	$58½-60½ (£26¼-27¼)	$55½-57½ (£24¾-25¾)
Old sov'r'gns	$59-61 (£26½-27½)	$57½-59½ (£25¾-26¾)
Gold coins (int'rn't'n'aly)		
Krugerrand	$169½-171½ (£76-77)	$168½-170½ (£75-76)
New sov'r'gns	$50¼-51¼ (£22½-23)	$50-51 (£22¼-22¾)
Old Sov'r'gns	$50¼-51¼ (£22½-23)	$50-51 (£22¼-22¾)
$ 20 Eagles	$245-250	$245-250
$ 10 Eagles	$120-125	$120-125
$ 5 Eagles	$88-95	[illegible]

AUTHORISED UNIT TRUSTS

The British Life Office Ltd.♥ (a)

Reliance Hse., Tunbridge Wells, Kt. 0892 22271

L British Life	36.1	37.6	−0.4	5.78
L Balanced*	27.9	29.5	......	5.07
L Capital*	30.0	31.8	......	3.56
L Dividend*	26.1	27.6	......	10.05

*Prices on June 25. Next dealing July 2.

G. & A. Un. Tst. Mgrs. Ltd.♥ (a)(g)

5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	21.0	22.5	−0.2	5.81

Gartmore Fund Managers♥

2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	30.2	32.5	−0.2	5.81
High Income Tst.	28.1	30.2	......	12.29
(Z)Overseas Tst.	25.9	27.8	+0.2	1.99

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations in London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv 20p	14	......	Gardner (L.)	64	......	Shiloh Spinn.	23	....
Ash Spinning	34	......	Graig Ship. £1	410	......	Sindall (Wm.)	43	....
Bertam	17	......	Hallam Sleigh 10p	9	......	Vincent (H.)	80	......
Brady (G.) 'A'	48	......	Higsons Brew.	83	−5	**IRISH**		
Bridgwtr Est. 50p	£320	......	I.O.M. Stm. £1	118	......			
Clover Croft	35	......	Holt (Jos.) 25p	180	−5	Alliance Gas (£1)	47½	...
Craig & Rose £1	312	......	Kleen-e-Ze	28	......	Carroll (P.J.)	109	+1
Dundee Ice £1	290	......	Lovell's Ship £1	125	......	Clondalkin	48	....
Dyson (R. A.)	30	......	Nthn. Goldsmith	77	−1	Concrete Prods.	72	....
Ellis & McHdy.	57	......	P.M.A.	36	......	Goodbody (£1)	38	....
Evans Fr'k. 10p	30	......	Pearce (C. H.)	60	......	Helton (Hldgs.)	50	....
Evered	12	......	Peel Mills	17	......	Irish Distillers	55	−1
Fife Forge	48	......	Richards 10p	8	......	Irish Wire	40	....
Finlay Pkg. 5p	16	......	RobbCaledon 5p	35	......	Jacob	45	....
Frost & Reed 50p	90	......	Sayers 12½p	9	......	Sunbeam	11	....
Gardiner & Sons	11½	......	Sheff. Refrshmt.	145	......	Unidare	64	....

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

United States Tst. Intl. Adv. Co.

14, Rue Aldringer, Luxembourg.

U.S. Trust Inv. Fnd.	US$13.22	+0.04	0.92

Net asset value June 26.

S. G. Warburg & Co. Ltd.

30, Gresham Street, EC2. 01-600 4555

CMT Ltd. May 29	£10.08	10.66	......	—
Cv. Bd. June 26	US$8.24	+0.02	+0.2	—
Eng'y Int. June 26	US$12.91		−0.03	—
Grsh.St.$Fd.My30	SUS7.36		......	—
TMT Ltd. June 12	£11.46	11.76	......	—

World Wide Growth Managementϕ

10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd.	US$12.12	+0.03	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's price. c Yield based on offer price. d Estimated. g Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. r Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ϕ. § Guernsey yield. s Suspended. ★ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
140	140	Kursaal (M)Lc25	140	.....	Q25	1.3	5.0	15.4
176	56	Ladbroke 10p	150	−3	38.7	4.9	4.0	7.9
44	15	Leisure Gen. 10p	32	.....	15.3	3.4	7.3	5.1
178	52	Lyons (J.) £1 "A"	152	.....	7.6	ϕ	8.0	ϕ
7¼	4	Mt. Charlotte 10p	4½	−½	0.6	ϕ	2.2	ϕ
65	50	Middleton 50p	50	−2	6.8	1.0	10.5	14.7
53	53	Norfolk Cap 5p	53	..	‡17.5	1.4	‡	42.9
43	13	North (M. F.) 10p	22	..	6.7	1.1	4.7	29.6
28	13¼	Pontin's 10p	24	−1	†12.5	2.1	8.0	9.0
49	27	Prince of Wales	40	...	d9.1	ϕ	9.3	ϕ
12	7	Queen's Moat 5p	7	−1	d10.5	ϕ	11.5	ϕ
65	29	Rowton Hotels	54		19.8	1.6	13.4	7.1
29	15	Savoy "A" 10p	23	−1	5	—	3.2	—
25	9½	Stakis (Reo) 10p	20½	.....	7.7	2.4	5.9	10.7
25	15	Sunnevlands 10p	19	−1	18.7	ϕ	15.2	ϕ
14½	7½	Swan Ryan 5p	11½	−½	Q42½	‡1.0	19.3	‡
127	40	Trust H. Forte	90	−1	29.4	0.8	12.6	11.1
95	75	Wheeler's 10p	85	.....	†40.8	2.2	7.4	9.4

INDUSTRIALS (Miscel.)

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
127	48	A.A.H.	118	..	†31	2.5	10.1	5.9
87	49	AD Int.	85	+3	ϕ†6.5	2.3	3.9	12.4
45	15	AGB R'srch 10p	35	.....	18.3	ϕ	8.0	ϕ
56	21	A.V.P. Inds.	51	..	9.0	4.3	7.5	5.3
47	16	Aaronson Bs. 10p	30	−2	15	2.6	7.7	7.8
41	18	Abbey Ltd.	30	.....	†Q25	1.4	‡	—
15	9	Abrasives Int 10p	12	.....	14.0	2.2	12.0	4.0
100	64	Airfix Inds. 20p	100	.....	13.5	3.2	4.2	11.7
58	27½	Do. N.V. 20p	48	−2	13.5	3.2	8.6	5.6
56	21	Allied Invs. 5p	39	−3	†15.7	2.8	3.1	17.6
88½	33	Allied Polymer	73	−1	16.6	2.1	6.7	8.3
14	7	Alpine Hldgs. 5p	10	..	—	—	—	—
12	7	Amal. Industls.	9½xd	.....	4	2.7	16.3	3.5
136	75	Anglo-Thai	111	−1	†h4.7	11.5	1.6	2.7
42	25	Anglowest 10p	26	−4	16.2	1.4	9.6	11.3
52	27	Arenson (A.) 10p	31xd	.....	18	5.4	8.9	3.2

INDUSTRIALS—Continued

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	56	Botswana RST R2	95	+2	—	—	—
590	196	Messina R0.50	550	...	‡Q60c	2.9	‡

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8	3	Burma Mine 17½p	8	...	m0.5	—	1.7
65	17	Charterhall 5p	64	+2½	—	—	—
115	75	Coltr Mines $1	75#	...	—	—	—
760	360	Cons. Murch. 10c	750	...	‡Q110c	2.2	‡
53½	29½	Lacrosa	27½	−2	—	—	—
19	15	NRD $1	15	...	—	—	—
375	200	Northgate C$1	300	+5	Q65c	1.0	9.5
211	80	R.T.Z.	122	...	19.9	4.4	4.2
135	47½	Sabina Inds. C$1	86½	−1	—	—	—
70	51	Stanford Mines	67	...	—	—	—
£12½	675	Tara Exp'n $1	£10⅝	+⅛	—	—	—
75	38	Yukon Cons. C$1	60	...	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Sterling denominated securities which include investment dollar premium
- "Tap" Stock
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ◊ Figures or report awaited
- †† Banks and Insurance reserve allocations may preclude calculation of dividend cover.
- Price at time of suspension.
- § Indicated dividend after pending scrip and or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim, reduced final and/or reduced earnings indicated.
- Based on 1973 profits.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Excluding a final dividend declaration.
- Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 17

FINANCIAL TIMES

Saturday June 28 1975

MAN OF THE WEEK

He aims to serve investors

BY MARGARET REID

IT WAS perhaps a happy omen for Michael Marriott that on the day when he became the Stock Exchange's new chairman this week, the 1975 total of companies' cash-raising rights issues reached a £700m. all-time record.

The coincidence was of some significance after criticism during the new issue famine of last year's slump that the Stock Exchange had failed in its function as a primary market to be tapped for new cash. The recent rights issue spate has firmly re-established it in this role and so underlined that what Mr. Marriott is taking over is a going concern.

The Stock Exchange is also a rapidly changing organisation, with further evolution certainly ahead after an eventful period which has seen the unification of all regions, the admission of women members and the appointment of the first chief executive, Mr. Robert Fell.

Key part

In one of the most important impending developments, the establishment of automated settlement including the Talisman system, Mr. Marriott has played a role as vice-chairman of the Automated Systems Committee.

It was doubtless partly for this and other work, including his key part chairing the Committee on Commissions and Dealings, since he joined the Council in 1971 that fellow Council members voted him to succeed Mr. George Loveday as chairman in the first-ever formal ballot for that post.

So far not widely known outside the City, and at 48 one of the Exchange's youngest chairmen, Mr. Marriott has played himself in cautiously, mindful that adventurous words can sometimes affront a market fraternity always sensitive to fine shares of meaning.

On a range of matters, however, his approach is already well known. He has said he aims to keep open dialogue not only with the Government—to whom much improved links of communication are now open—but with the Opposition too. He will also press on with the important innovation of the Chairman's Liaison Committee, through which the Exchange now sounds out the views of other City bodies and of the Confederation of British Industry on such vital policy matters as commission rate changes.

Indeed, communication, with the accent on investors as the Stock Exchange's customers, is a favourite theme of Mr. Marriott, who is a partner in the broking firm of Williams de Broë, Hill Chaplin. On the controversial question of whether stockbrokers take adequate care of the small investor, he claims that the recently introduced more generous minimum commission rates will help to ensure good advice for the little men.

An approachable figure of restrained geniality, Mr. Marriott is a cricketing enthusiast. He was at school at Tonbridge with Kent and England batsman Colin Cowdrey, whom he slightly resembles and for whom he has been mistaken on occasion.

Old battles

Another, more unusual, hobby is the re-fighting of old battles, not in the sense of the espousal of lost causes but of tracing events on historical battlegrounds. He has been over the fields of engagement at Agincourt, Waterloo—three times—and of the last war battlegrounds at Arnhem and in Crete.

Mr. Marriott denies that this recreation has any relationship to his new job. Yet he could face future clashes, skirmishes and even battles, especially if much talk in the Labour Party about a statutory Securities and Exchange Commission-type body to regulate the market is translated into action.

A new economic cold climate could also raise the need for defence of Stock Exchange interests, while such lesser matters as the mooted Options Market or the rival ARIEL securities dealing system could lead to controversy. But however such issues develop, the new chairman will doubtless strive to avoid any Waterloo, for himself or the Exchange.

Ennals to seek unity in Rhodesia talks

BY MALCOLM RUTHERFORD

MR. DAVID ENNALS, Minister of State at the Foreign Office, arrives in Rhodesia to-morrow with two main aims. The first is to persuade the Africans to remain united rather than give way to the increasingly bitter divisions between them.

The second is to find out at first hand whether Mr. Ian Smith is really ready to agree to a constitutional conference which would lead to majority rule within a year or two.

Mr. Ennals has no intention of agreeing to a deal with one African party or grouping at the expense of another, despite the fact that he has in the past few days held talks with Mr. Joshua Nkomo, the leader of the ZAPU wing of the African National Council and at present in favour with Mr. Smith.

Mr. Nkomo saw Mr. Ennals in Johannesburg earlier this week and again at the Mozambique independence celebrations. He will meet him again in South Africa this weekend and travel on the same aircraft to Salisbury to-morrow.

These are unusual developments, especially as Mr. Nkomo is known to have a plan for establishing a new party—the All Africa People's Union—with himself at the head and ready to negotiate with Mr. Smith.

There is no question, however, of Britain going along with this plan, even if it has the backing of Mr. Smith and Mr. Vorster, the South African Prime Minister.

Britain feels that to seek a settlement based on only one section of African opinion would produce an explosive situation. It would mean, one well-placed source said, that civil war would break out the next day.

Accusations

Mr. Ennals has thus been trying to persuade the African leaders to stick together despite mutual accusations between the more moderate ZAPU wing of the ANC and the extreme militant ZANU wing. The latter has shown less interest in a negotiated settlement and has concentrated more on guerilla activities.

His hopes of success are not high, although if Mr. Smith does agree to a constitutional conference with the promise of an early move to majority rule, it is thought possible that the Africans will then unite.

If Mr. Smith does not agree, the British Government will consider calling a conference without his participation to discuss what happens next. Even this contingency plan, however, would go ahead only if the ANC remained intact. The Foreign Office believes that there would be no point in holding it not only without Mr. Smith, but also without some of the leading Africans.

The South Africans feel that Mr. Smith is ready for a conference, but they have never given a time-table which Britain believes is crucial.

It is known that some of the militant African leaders now believe—with some credibility—that they could secure majority rule by force within five years. Therefore they are interested in a peaceful settlement only if it comes within a considerably shorter period. British suggestions of a transitional period lasting longer than 18 months have been dismissed.

There is little hope that Mr. Smith, even if he tries to be accommodating, will come down anywhere that far. There is also some concern that the Africans have rarely defined their objectives beyond early majority rule, and have given little thought to the constitutional details of achieving it.

London fares to go up by 26%

BY ARTHUR SMITH

LONDON TRANSPORT released details yesterday of plans to raise fares by an average 26 per cent. from November 2. The minimum fare on the Underground will be 10p, and on the buses 5p.

The Greater London Council called for the fares increase to bring LT's deficit under control and prevent too heavy a burden being thrown on ratepayers. Fares were raised 35 per cent. in March and a further 20 per cent. increase is planned for next June.

Confronted with the mounting pace of inflation, the Labour-controlled GLC has had to abandon its pledge to hold fares down. The detailed proposals put forward yesterday by LT will have to be approved by the GLC but few changes, if any, are expected.

The increases, which will yield another £36m. in a full year, will put bus fares up by an average of about 24 per cent. and Underground fares and season tickets by some 28 per cent.

Traffic loss

The last rise, which in some cases made it cheaper to travel by bus than by Underground, meant the traffic loss on the buses was about 3 per cent. less than expected, in contrast to the Tubes where the drop was 4 per cent. greater than anticipated.

"Because of the problems we continue to face in running reliable bus services, and the improvement in the staff situation on the Underground, this tendency to switch is not one which we wish to encourage," LT said.

But a spokesman maintained that the changes proposed for November would not increase the trend from tubes to buses.

The proposed increases on the Underground include a cut in distance travelled for fares above the 10p minimum. Above 50p the new scales will be in 10p steps and the maximum fare of 60p will be increased to 80p.

Season ticket increases will vary between 28 and 30 per cent. for short-term tickets and 35 per cent. for some annual tickets.

On the buses the 4p minimum fare will rise to 5p, the 7p to 8p, the 10p to 13p; the 13p to 16p; and the 15p to 20p. The present off-peak maximum fare of 12p will rise to 16p.

The November increases will also apply to London Transport's red bus routes operating outside the Greater London area. These are already due to rise in August.

However, the 10p Red Arrow fare will not go up. Neither will parking charges.

Without the November increase the LT deficit for the current financial year was expected to be £131.5m. A special Government allocation of £53m. through the transport supplementary grant helps to reduce the burden but this sum will undoubtedly be cut next year.

Warning

● A warning of higher bus fares came in the Commons yesterday when Environment Under-Secretary Mr. Neil Carmichael said the economy could not continue to support the present level of subsidies.

Replying to a short adjournment debate Mr. Carmichael said the present massive level of support could not and must not continue. "It is this Government's policy that such subsidies must be reduced. Of course this means that fares will have to rise."

Mr. Carmichael said the burden on the ratepayer was already heavy enough.

"The Government believes that the level of revenue support to buses has to be reduced."

French Kier chief queries City role in takeovers

BY DAVID BELL

THE CHAIRMAN of French Kier Holdings, Mr. John Mott, yesterday told shareholders that he and other former Kier directors questioned whether the City is "sufficiently equipped" to deal with some takeover situations.

W. and C. French made an agreed bid for J. L. Kier in September 1973 and the new company reported pre-tax profits of £4.26m. for the year ended December 31, 1973.

In November last year it announced a loss in the first six months of £2.4m. and last month the Government made available to W. and C. French (Construction), a subsidiary of the holding company, up to £14m. in grants.

This was intended to prevent the company becoming technically insolvent and to ensure the completion of some £40m. of outstanding contracts.

In his speech at the annual general meeting Mr. Mott said: "We would not in general criticise our professional advisers working within the established mode of dealing with this type of acquisition situation.

"What we former Kier directors do seriously question is the adequacy of the established mode.

"Further we question whether the City is sufficiently equipped to deal with these situations. The presence of deeply respected names of City firms tends in most minds to lend an authenticity to information or projections which in the end are heavily qualified.

"A realisation that in some undiscerned way we failed the J. L. Kier shareholders helps to motivate our efforts to restore the combined Group to a profitable and respectable position. This objective is commonly shared and recrimination serves no constructive purpose."

At yesterday's meeting Mr. William Braby, finance director of W. and C. French at the time of the merger with J. L. Kier, was voted off the main Board of French Kier.

Whitbread offers £18m. for Long John group

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

WHITBREAD, third-largest of the U.K. brewers, is to take a major stake in the Scotch whisky industry through the acquisition for £18.5m. of Long John International.

The Long John brand is particularly strong in Europe—it is the best-seller in Italy—and 68 per cent. of its profits are earned overseas.

The acquisition fits in well with Whitbread's determination to push up that element of its profits from outside the U.K. and its plan to become a much more important part of the Continental drinks scene.

Long John is 75 per cent. owned by Schenley Industries of the U.S. which bought the company in the mid-1950s as a possible trump card when dealing with the Distillers Company over the Dewar's brand which Schenley has been handling in the U.S. since that time.

With the approval of the Take-over Panel, Schenley has agreed irrevocably to accept the Whitbread offer and will take £13.75m. in cash for its 75 per cent. Long John stake.

Whitbread is offering a mixture of convertible loan stock and cash for the Long John shares underwritten to give a cash alternative of 231p a share.

This compares with 125p at the beginning of June, and 168p on June 16 after Whitbread announced it was having talks. Last night, the shares stood at 222p, a rise of 55p on the day.

Long John directors, advised by N. M. Rothschild, are recommending acceptance and expect taxable profits for 1975 to be not less than £2.4m., the level of last year. Unaudited profits before interest and tax for the first five months were £1.333m. (£1.242m.).

On behalf of Whitbread, Kleinwort Benson will offer every 100 Long John Ordinary shares some £180 nominal of 11 per cent. convertible unsecured loan stock of Whitbread and £51 cash.

S. Africa devalues Rand

BY GRAHAM HATTON

JOHANNESBURG, June 27.

THE SOUTH AFRICAN Reserve Bank to-day devalued the Rand from $1.47 to $1.40 in response to the latest cheapening of the pound.

Mr. Owen Horwood, the Finance Minister, explaining the move, said that the exchange rate change restored the Rand-dollar relationship which existed before the December, 1971, Smithsonian realignment.

Mr. Horwood said the Government was reluctant to take any step which would tend to exercise upward pressure on prices, but the average external value of the Rand had recently increased to about 1 per cent. above that which existed for many years before the sterling devaluation in November, 1967.

The change should be seen as a precautionary move to prevent any undue appreciation of the Rand in the period ahead as a result of movements in other currencies.

The Minister also announced that the South African Reserve Bank would discontinue the practice of making small and frequent adjustments to the buying and selling rates for the U.S. dollar against the Rand.

In future, these rates would be adjusted upwards or downwards only if considered essential in the event of any basic change in domestic or international economic circumstances.

This was being done with a view to rendering the balance of payments less vulnerable to the leads and lags situations which tended to develop under the previous policy and to reduce speculation against the Rand in general.

Continued from Page 1

Pound falls another ½%

a response to market pressures. Concern that this package should be convincing is now a major element in exchange market thinking.

There is some apprehension in Whitehall however that the nature of the intended package is being misunderstood.

The Treasury is certainly working hard on large-scale reductions in public expenditure plans for the medium-term, which would build up to cuts of £2bn. by 1978-79.

But it is emphasised that the attention of both Ministers and officials is at present being concentrated on the production of an incomes policy package which is consistent with the stated inflation targets (down to an annual rate of 10 per cent. by September 1976, and single figures by end-1976); 2 accepted as such; and 3 equipped with credible sanctions for making it work.

Short-term public expenditure cuts are regarded as the inevitable alternative if these criteria for incomes policy cannot be met in the next few weeks. But at present there is no intention of accompanying the new incomes policy with an expenditure cuts package.

Meanwhile, the Bank of England's minimum lending rate remained unchanged yesterday at 10 per cent., and the Treasury yesterday announced the issue of a further tranche of £500m. of 12¾ per cent. Treasury Loan 1995, at a price of £83.50 per £100 nominal.

Official sources emphasised yesterday that the terms—offering a flat yield of 14.41 per cent. and redemption yield of 14.52 per cent.—are intended to be exactly in line with present yields and not to denote any change in interest rate policy.

In New York the pound closed at $2.2215 after being down at $2.2200 just before the close.

THE LEX COLUMN

Whitbread's Long John cocktail

Index fell 8.2 to 295.6

Equity markets have proved very sensitive to any weakness in sterling over the past couple of months, the most recent 19 per cent. fall from the early June peak (as measured by the 30-Share Index) coinciding with the renewed weakness of the pound. Gilts, in contrast, have been steady over this period—even with bursts of strength, as on Wednesday when the long tap was exhausted. The City is trying to hedge its bets on inflation ahead of the long-awaited measures. But bulls of gilts ran up against the new long tap last night, the stock being pitched right in line with the market, giving no short term encouragement.

Whitbread/LJI

Whitbread has duly appeared with its offer for Long John International, which has been irrevocably accepted by Schenley Industries with 75 per cent. of the equity. The surprise, however, is the terms which value LJI at about £18.5m., of which £14.4m. will be Convertible and the rest cash. The Convertible issue is being underwritten, so there is a cash alternative which, together with the cash element in the offer, amounts to 231p — compared with last night's closing price for LJI of 225p, up 58p on the day.

Whitbread decided against a straight equity rights issue to raise the money—partly because of uncertainty over stock market conditions and also because it regards a convertible as the cheapest way of raising the money. The acquisition will bring in £14m. of four to five-year-old whisky and spirits at cost. It fits in with Whitbread's policy of increasing its proportion of overseas earnings—now almost negligible. LJI's overseas earnings were about 70 per cent. of its profits of £2.4m. pre-tax in 1974 (at least as much is expected in 1975). Whitbread sees further expansion possibilities for LJI in Europe, notably Italy, in the Far East and in North America. Meanwhile, the announcement of the terms knocked 2p off the Whitbread share price to 57p—though it has held up relatively firmly over the last week.

Hambros

Hambros has shown relative strength of no less than 19 per cent. against the 30-Share Index since the results came out two weeks ago, and now the report continues to maintain a cautiously optimistic line. Still, the balance sheet reveals a little more of the erosion which hit the group's assets last year, with the unrealised surplus on investments and properties down from £7m. to just about nothing. Book net worth is given as £57.9m., down £3.7m., but the further writing down of associates to market value would trim net worth to £46.3m. or 185p a share compared with 173p in the market: there are also, of course, substantial general provisions and inner reserves. Earnings this year should be due for a recovery, but Hambros may have to live for some time yet with uncertainty over its tanker loans.

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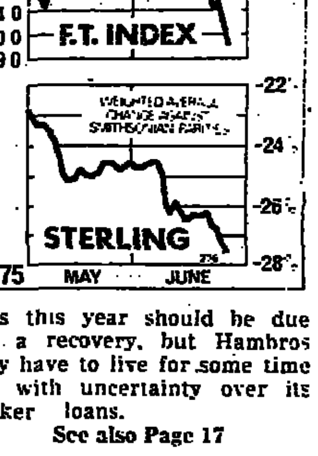

Town and City

Down 8½p at 19p over the last week, Town and City's shares have now fallen to nearly half their 1975 high, but yesterday's circular on the £25m. rights issue of Convertible stock does not provide any reason for further concern, and indeed offers some reassurance. There is certainly little hope of quick return to profitability or more than a nominal dividend before 1976. But the statement does indicate that the key problem of the last year—the continuing cash drain from the group's unfunded development programme — is now coming under control. The difficulty has been that while the group has been able to sell a large amount of property—£83m. up to mid-March—this has immediately been swallowed up in repaying secured loans and meeting unfunded commitments of £38m. in 1974-75. So with a small rise in other borrowing categories there has been little alteration in the overall debt position over the last year.

The Convertible issue, together with the Prudential's agreement to provide further financing facilities up to £25m., should roughly cover the outstanding unfunded commitments over the next two years, after which capital spending is due to drop to a very low level. Debt should now start falling from the May 13 total of £340.9m., little changed from figures shown in the September 1974 balance sheet now published. The net tangible assets at that stage were £186m. (with about two-thirds of the assets last valued in March 1973)—and are clearly worth less now, as the directors concede. However, they believe there is still too small a market in reversionary and development properties to express a confident overall view on current values (though Land Securities took the opposite line).

The bulk of the issue is likely to be taken up—in the proportions of 60/40—by Barclays Bank and the Prudential, and the directors advise shareholders that to take up their entitlement may not be in their immediate financial interest, with a current conversion price more than double the share price.

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John Brown

John Brown's losses at Constructors John Brown (confirmed at £4.9m.) have reduced group profits for 1974-75 from £4.1m. to £541,000 before tax. There is a tax charge of £2.7m., of which £1.1m. is deferred, and after payment of the interim dividend the group has a net loss of £2.55m. Depreciation is little changed at around £2.2m., so JB faces up to a period of high working capital needs in 1975-76 with a negative cash flow of around £1m., against a positive £2.9m. previously.

CJB apart, the group has had a solid year with profits growth of 24 per cent. pre-tax. But the statement provides no clues to earnings prospects which this year clearly promises to be less satisfactory outside CJB, given the way demand in the capital goods sector is weakening. All this may tend to put off to 1976-77 any restoration of the dividend total. The shares currently languish at 51p, against a 1975 peak of 120p.

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Weather

U.K. TO-DAY

DRY everywhere, sunny periods.

London, S.E., Cent. S. and Cent. N. England, Midlands, Channel Is.

Dry, sunny periods. Wind N.E., moderate. Max. 19-20C (66-68F).

E. Anglia, E. England

Dry, sunny spells, cloudy near the coasts. Wind N.E., moderate. Max. 19C (66F).

S.W. and N.W. England, Wales, Lakes

Dry, sunny. Wind N.E., light to moderate. Max. 20C (68F).

I. of Man, S.W. and N.W. Scotland, Argyll, N. Ireland

Dry, sunny spells. Wind variable, light. Max. 15-16C (59-61F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Cent. Highlands, Moray Firth, N.W. Scotland

Dry, sunny spells. Wind variable, light. Max. 16-17C (61-63F).

Orkney, Shetland

Dry, sunny periods. Wind W., light. Max. 13C (55F).

Outlook: Little change.

Lighting-up: London 21.51, Manchester 22.12, Glasgow 22.36, Belfast 22.34.

Pollen count: London 152, very high. *Forecast:* similar.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	C	16	61	Madrid	S	28	82
Athens	F	29	84	Manchstr.	C	15	59
Bahrain	S	36	97	Melbourne	S	11	52
Barcelona	S	25	77	Milan	S	30	86
Beirut	S	27	81	Montreal	S	24	75
Belfast	C	13	55	Moscow	F	24	75
Belgrade	F	27	81	Munich	S	25	77
Berlin	S	18	64	Newcastle	C	11	52
Birmghm.	C	14	57	New York	F	21	70
Bristol	C	14	57	Oslo	S	18	64
Brussels	C	16	61	Paris	C	19	66
Budapest	S	27	81	Perth	C	15	59
B. Aires	R	17	[illegible]	Prague	S	23	73
Cairo	S	36	97	Reykjavik	R	10	50
Cardiff	C	14	57	Rio de J'o	S	24	75
Cologne	C	17	63	Rome	S	27	81
Copnhagn.	C	16	61	Singapore	S	30	86
Dublin	S	16	61	Stockholm	C	14	57
Frankfurt	F	22	72	Strasbourg	S	24	75
Geneva	S	27	81	Sydney	S	15	59
Glasgow	C	14	57	Tehran	S	37	99
Helsinki	S	17	63	Tel Aviv	S	27	81
H. Kong	C	30	86	Tokyo	S	26	79
Jo'burg	S	17	63	Toronto	C	22	72
Lisbon	S	21	70	Vienna	S	27	81
London	S	16	61	Warsaw	S	24	75
Luxembrg.	C	19	66	Zurich	S	26	79

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	26	79	Jersey	C	18	64
Algiers	S	28	82	Las Plms.	S	25	77
Biarritz	C	21	70	Locarno	S	27	81
Blackpool	C	17	63	Majorca	S	27	81
Bordeaux	S	27	81	Malaga	S	28	82
Boulogne	F	14	57	Malta	S	28	82
Casablnca.	F	23	73	Nairobi	C	20	68
Cape Tn.	S	21	70	Naples	S	25	77
Corfu	S	30	86	Nassau	C	29	84
Dubrovnik	F	27	81	Nice	S	24	75
Faro	S	22	72	Nicosia	S	27	81
Florence	S	30	86	Oporto	S	21	70
Funchal	C	20	68	Rhodes	F	26	79
Gibraltar	S	26	79	Salzburg	S	27	81
Guernsey	F	16	61	Tangier	S	22	72
Innsbruck	S	29	84	Tenerife	S	19	66
Inverness	F	12	54	Tunis	S	30	86
I. of Man	C	15	59	Valencia	S	26	79
Istanbul	F	27	81	Venice	S	29	84

S—Sunny. F—Fair. C—Cloudy. R—Rain.

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